









# Germany and US agree on new bilateral aviation deal

By Ariane Genillard in Bonn

GERMANY and the US yesterday agreed a new bilateral aviation accord clearing the way for a far-reaching collaboration deal between Lufthansa, the German airline, and United Airlines, one of the three biggest US carriers.

The four-year agreement, which will come into force on November 1, allows Lufthansa to enter a code-sharing partnership with a US carrier, giving the German airline gradual access to any destination in the US. Code-sharing allows two airlines to book their passengers on each other's routes.

Lufthansa yesterday said that it was still negotiating with two potential US partners, but negotiations with United Airlines are understood to be in their final stages. A deal would also place Lufthansa in a stronger competi-

tion footing against other European airlines which have already forged alliances with US carriers.

Mr Jürgen Weber, the Lufthansa chairman, said that he was pleased with the accord and that it would lead to fair competition on North Atlantic routes to and from Germany.

The agreement also puts a two-year capacity freeze on US carriers flying into Germany and back. A gradual increase on the number of North Atlantic flights is foreseen for the following two years.

In return, the US will be allowed to have a second national carrier enter a code-sharing agreement with an airline from the European Community. Northwest, the US airline, already has such a partnership with KLM Royal Dutch Airlines and has been seeking to prolong its transatlantic flights to Amsterdam

into the German market.

The air traffic agreement follows lengthy and difficult negotiations in which Germany has sought to pry open the US market for its national carriers. Germany claimed that the current post-war air traffic agreement gave undue advantage to US carriers flying into Germany and had threatened to abrogate it unless it was changed.

Under the new agreement, Lufthansa will be able to fly directly to 25 destinations in the US. It will be able to operate, via its code-sharing agreement, up to 500 North Atlantic round-trip flights per week to anywhere in the US by the year 1997. The German carrier at the moment operates 112 round-trip flights over the ocean per week.

US carriers will be limited to the existing number of North Atlantic flights between the

two countries for two years. The capacity freeze also applies to US flights out of Germany to third destinations.

In the third and fourth year of the agreement, US airlines will be able to increase North Atlantic round-trip flights to 14 per week and round-trip flights to third destinations from Germany to seven a week. At the moment, US carriers operate an average of 253 flights a week between the two countries in the winter and 382 in the summer.

The US will be allowed in return to have 140 one-way flights a week operated between the US and Germany through a code-sharing agreement with another airline from the EC.

"This is a win-win agreement which amounts to three-quarters of an open sky treaty," a German government official said.

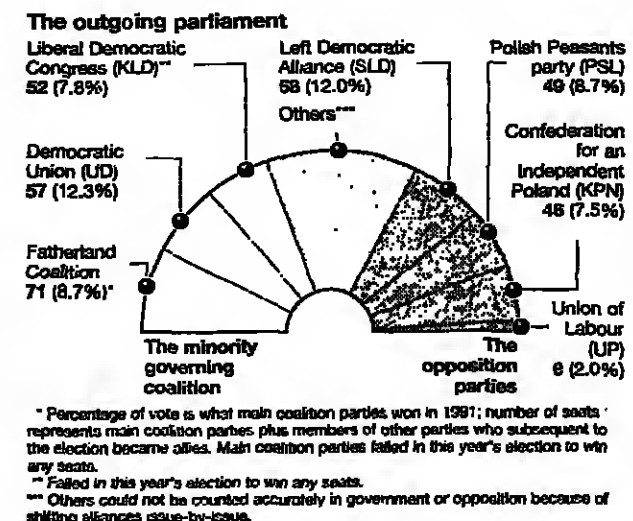
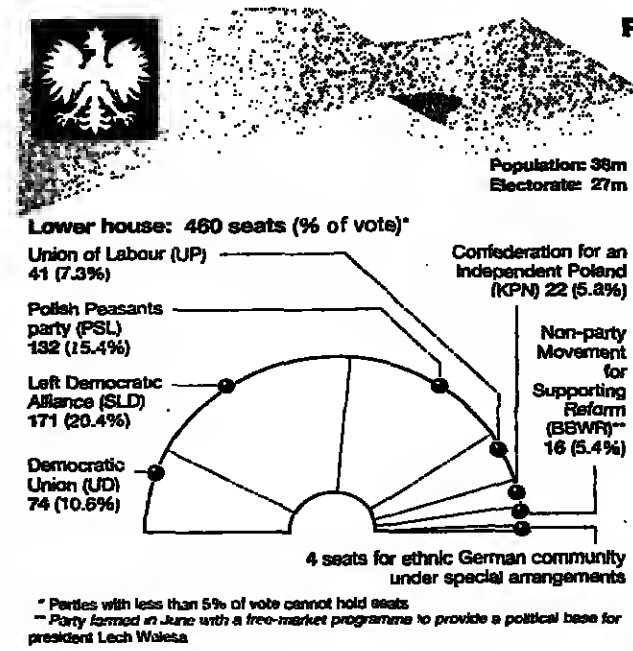
# Poland's largest party calls for debt cut

By Christopher Bobinski in Warsaw

LEADERS of the Left Democratic Alliance (SLD), the former-communist grouping which emerged from Poland's elections last Sunday as the largest single party, yesterday called on the World Bank and the International Monetary Fund to support the country's efforts to win a 50 per cent reduction in its \$12.3bn (\$8.17bn) debt to western commercial banks.

In a meeting yesterday with foreign diplomats, they also reiterated their commitment to the country's integration with the European Community and to budgetary and monetary stringency.

However, Mr Alexander Kwasniewski, the SLD leader, hinted yesterday, after the final election results were announced, that the process of forming a new government would take time and that "there were equal chances of the SLD being in government or opposition."



entry to parties which failed to win 5 per cent of the national vote. None of the anti-communist right-wing parties, all of which ran separately, crossed the threshold.

However, their share of the ballot totals 19 per cent, or almost as much as the post-communist SLD. The election saw a 52 per cent turnout compared to 43 per cent at the last election in 1991.

Mr Kwasniewski said yesterday he was still optimistic about forming a government.

Reuters reports from Warsaw. "I am not a pessimist at the moment," he said, "I think things point now more to the fact that there must be a government between the PSL and the SLD and talks are still going on."

# Czechs see threat to investment

By Patrick Blum in Prague

THE FLOW of foreign investment to the Czech Republic is threatened by the recession in the west and by rising local costs and wages. Mr Vladimír Dlouhý, trade and industry minister warned this week.

Bureaucracy and the poor quality of information were also deterring investors, he said in an article published in the daily newspaper Mladá Fronta Dnes.

Mr Dlouhý, who is a fervent advocate of foreign investment as well as a staunch defender

of Czech interests, said that investment in the first half of this year was \$382m (\$260m), slightly less than for the same period of 1992. A large part of this was an investment carried over from last year by Philip Morris, the US tobacco company, in Tabak Hutna Hora.

Mr Dlouhý said that the decision by Volkswagen, the German car manufacturer, to scale down its investment plans for Skoda, the Czech car maker in which VW has a 31 per cent stake, was "another proof of the fact" that the recession in the west was limiting investment plans.

"It does not make for too optimistic a picture," though it was too early to assess the likely results for the whole of 1993, he said.

Privatisation programmes in France, Brazil and other countries increased the competition to attract foreign investors, while the recession in Germany was causing a drop of 10 per cent in investment activity.

The Czech Republic's greatest attraction was its qualified, low-paid workforce, but this was threatened by a 23.25 per cent rise in wages in the first half of this year. The price of goods, raw materials, services,

and transport were also rising. There was serious overstaffing in companies, and bureaucracy made investment difficult, he said. "When will all our complicated specifications which foreigners cannot understand disappear. There are 20 serious projects worth \$540m for the Prague area alone sitting in the network of the administration at the moment."

Investors seeking to buy companies through the Prague stock exchange or its over-the-counter RM-System rival were provided with poorer information than they can find in other markets.

# Taxi war highlights big growth in racketeering

THE MURDER of a taxi driver this week during the middle of the day on Wenceslas Square, one of Prague's main tourist and shopping hotspots, highlights the growing lawlessness sweeping the city's taxi trade, writes Patrick Blum.

Thursday's victim had come to the defence of a woman passenger violently ejected from another taxi whose driver felt her destination was not distant enough to be profitable. According to CTK, the Czech news agency, the victim was killed to death by the other driver for suggesting his behaviour gave taxi drivers a bad reputation and would soon leave them with only themselves to drive around the city.

The killing was only the latest in a series of violent incidents which have claimed the lives of several drivers. The rising violence against taxi drivers, and the control of taxi stands by Mafia-style gangs, have led the Association of Prague Taxi Operators to call for action by the city authorities to improve safety and restore law and order but until now little has been done to

improve the situation.

A delegation of taxi drivers yesterday appealed to the mayor, Mr Jan Koukal, to "free the Prague taxi service from the influence of people who assert their right to decide who will or will not use taxi stands and who recklessly decide on the unprecedented overcharging of customers."

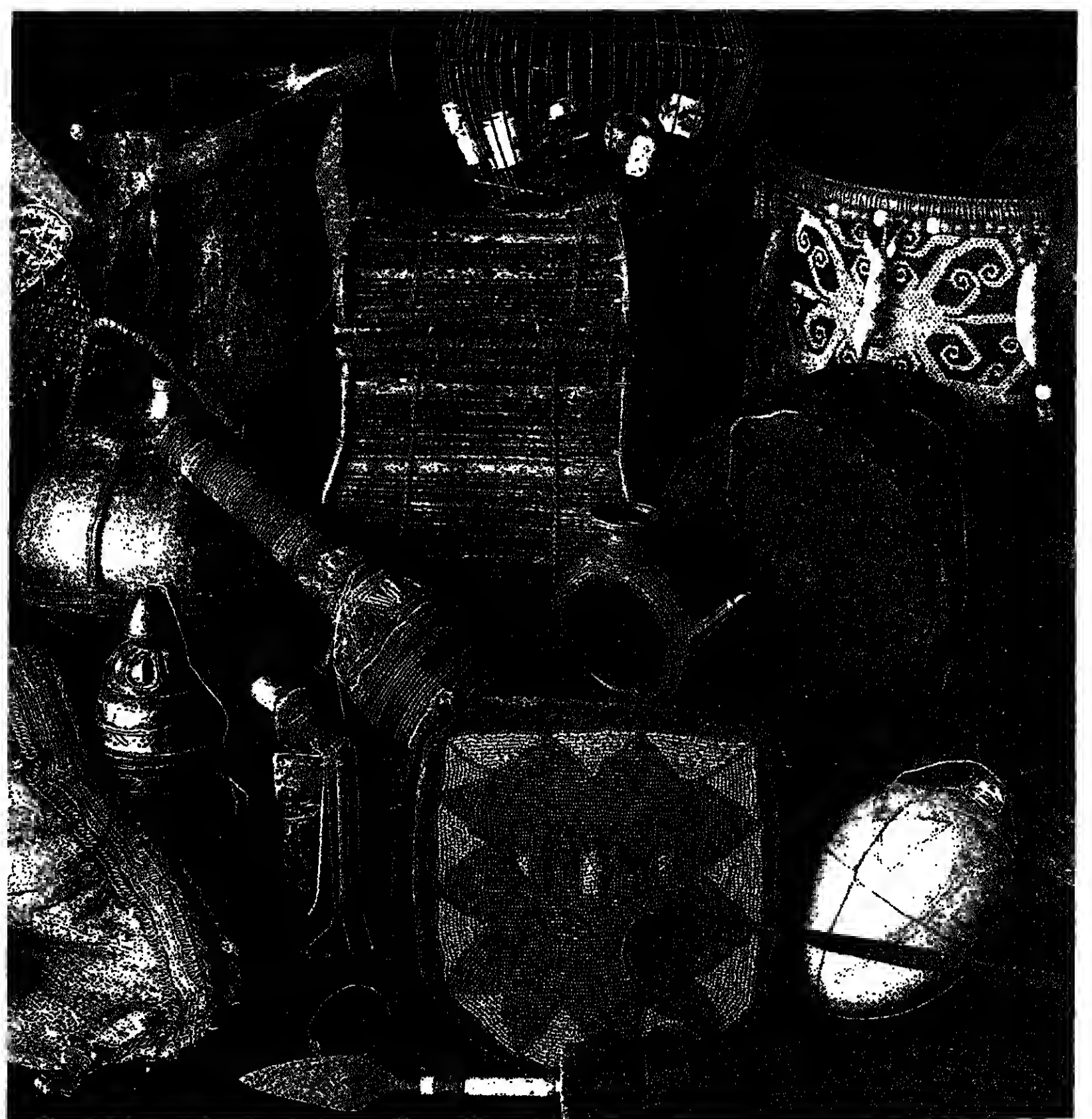
Last June, the association warned that organised groups were forcing honest drivers away from the taxi stands through threats and by attacking them and damaging their vehicles. The association says the gangs consists of former secret police drivers, illegal money changers, and dealers in black market goods.

It is not uncommon for taxi drivers to insist on a flat payment - usually several times the meter fare - or refuse to carry passengers. Dishonest drivers prey on unwary tourists and often ask for much more than the normal fare of Kčs12 (27p) per kilometre. This correspondent was thrown out - verbally - of a taxi on Old Town Square, the heart of the Czech capital, packed with

thousands of tourists on any summer day, for insisting that the driver switch on his meter rather than pay a pre-set amount representing five times the real cost of the trip. My threat to report the incident to the police met with a laugh and a shrug.

But while many honest taxi drivers are driven out of business or face threats, unwary passengers have also been robbed and attacked by drivers. For tourists it is best to avoid the taxi ranks in the town centre, and call a reliable taxi company on the telephone to avoid unpleasant surprises.

As elsewhere in central and eastern Europe, the demise of communism has opened the door to the emergence of a new underworld involving a variety of criminal activities including racketeering, protection, prostitution, drugs dealing, and the illegal trade in arms and radioactive materials. Violence is not uncommon as gangs fight for control, while an understaffed, under-resourced, inexperienced and under-paid police force is overwhelmed by the rise in criminality.



Facing is a proud member of the World Travel and Tourism Council.

# German cartel body to probe car makers

By Kevin Done in London and David Walker in Frankfurt

GERMANY'S Federal Cartel Office is to investigate complaints from automotive components suppliers that they are being forced by German car-makers to bear the brunt of the drastic restructuring that is now under way in the German auto industry.

The cartel office yesterday urged suppliers to submit details of alleged unfair and improper business tactics.

The call came from Mr Dieter Wolf, the cartel office president, at a meeting at the office's Berlin headquarters between German suppliers and industry associations to discuss the mounting problems of the sector.

Mr Rolf Kieker, the cartel office spokesman, said the call to the suppliers was not directed against any particular company or individual.

All German vehicle makers

are engaged in a far-reaching drive to reduce their costs and improve their competitiveness in the face of plunging sales of cars and commercial vehicles.

The most highly-publicised cost-cutting effort is being mounted by the Volkswagen group, Europe's biggest vehicle producer which suffered a loss of DM1.6bn (\$646m) in the first half of the year, and is being led by the group's controversial purchasing and production director Mr José Ignacio López de Arriortua.

Volkswagen has been in the forefront of carmakers seeking big price cuts from suppliers this year. Several suppliers have publicly criticised pressure from car manufacturers.

The cartel office said that companies affected had complained that they were having to carry the burden of the structural changes in the automobile industry.

Complaints would be collected and evaluated, said the cartel office.

The meeting agreed that there was a fundamental need to maintain an effective and innovative automotive components industry, but the cartel office said that the necessary structural adjustments must conform with market rules, and there should be no distortions of competition.

# Consumer spending in France declines

FRENCH CONSUMER spending fell sharply last month, undermining hopes of a rebound in household demand, according to statistics released yesterday by INSEE, the national statistics office, writes John Ridding in Paris.

The INSEE figures, which showed a 2.9 per cent fall in household spending on consumer goods in August, were compounded by a survey of business leaders. The survey, also by INSEE, showed that despite expectations of a slight rise in industrial output in September, consumer demand was expected to remain depressed.

French government officials and private sector economists believe a revival in demand, particularly in consumer spending, is the most important condition for a recovery in the economy, forecast to contract by almost one per cent this year in terms of GDP.

Consumer spending recovered slightly in the second quarter, rising by 0.4 per cent. But the impact of higher taxes on income, petrol and alcohol which took effect in July, appears to have prompted renewed weakness in expenditure last month. The fall in consumption in August included a fall of 7.8 per cent in durable goods. New car sales fell by 15.3 per cent in August, compared with July.

# TRAVEL. BARTER BETWEEN NEIGHBOURS HAS BECOME TRADE AMONG NATIONS.

These diverse containers reflect an ancient urge to trade, to exchange what we have for what we want. And to receive in the bargain new ideas, different values, fresh possibilities. The world is full of wonderful places to explore, opportunities to pursue. Go.



BOEING

EXCITING FAST FUN QUIZ  
"The Brain Game" on 10 November 1993  
at Middle Temple Hall, home of the  
Chambers Reception and Dinner  
Further information contact:  
Lesley Edwards/Vivienne Wright at  
the NSPCC, Tel: 071-336 7738  
or Fax: 071-334 7948



## NEWS: INTERNATIONAL

# Investors wary of the new South Africa

## Mandela's call to lift sanctions will not spark a bonanza, writes Philip Gawith

AFTER three decades of isolation, South Africa can now re-enter the economic community of nations after Nelson Mandela's call for the lifting of sanctions at the United Nations last night.

While the normalisation of South Africa's international economic relations promises considerable benefits, there is little anticipation of a short term investment bonanza. A mixture of domestic political uncertainty, international distractions, sanctions legacies and practical obstacles will ensure that South Africa's rehabilitation is a gradual process.

In the US, the most vocal and influential proponent of sanctions, the most positive response is likely to come from Mr Mandela's most prominent supporters - namely Mr David Dinkins, the mayor of New York, Mr Mario Cuomo, governor of New York state and Mr Douglas Wilder, governor of Virginia.

All are expected to quickly follow Mr Mandela's lead and make a powerful case for re-engagement in South Africa, particularly to assist the black community.

Mr Charles Moses, executive director of the New York state governor's Advisory Committee for Black Affairs, confirms that the state has been working for 18 months on drawing up an International Partnership Programme (IPP), an initiative that will cover economic development, trade, education and support for small business.

"We want to try and help the African majority grow and increase its ability to govern," says Mr Moses.

An early response can also be expected from the IMF and the World Bank, which are impatient to get involved in

lending to South Africa. South Africa is eligible for a \$800m loan in terms of the IMF's Compensatory and Contingency Finance Facility, while the World Bank has also made clear that it stands ready to lend large sums in support of socio-economic development.

The Clinton administration, mindful of the political clout of the 43-strong Congressional black caucus, is expected to be supportive.

Expectations of the business community, however, are more muted.

Mr Jonathan Humeke, investment policy manager at the US Council for International Busi-

ness Center (IRRC) believes that investors will initially hold back from big investments, preferring to set up branch sales and marketing offices, or assuming direct control of a distributorship, while watching political developments.

Whatever foreign investment does flow is likely to focus on two areas in particular: spending on infrastructure and consumer goods. The reasoning is that a new government is likely to spend heavily on a social reconstruction programme, while the rapidly urbanising black population, with rising incomes, is targeted as a major future growth

center. In terms of portfolio investment, South Africa starts from a very low base. A study of 47 global emerging market funds by the UK group Micropal shows that as at 30 June 1993, only 0.07 per cent of their \$8bn assets were invested in South Africa. By comparison, on 22 September, South Africa, by market capitalisation, represented 0.85 per cent of the Financial Times World Actives Index, measured in US dollars.

Mr Lloyd Pengilly of the New York brokers McIntosh Martin says there is relatively little foreign investment in South African stocks outside of mining. He says recent weeks have seen a lot of enquiries from US mutual funds about the South African market, but that this has not yet been matched by any significant flow of funds.

He stresses that a "terrific re-education process" lies ahead with most portfolio managers ignorant of the market. This is borne out by a cursory examination of Nelson's Directory, the US investment bible, which does not list a single US analyst covering South African stocks.

Mr Pengilly believes that "over time" there will be a flow of funds to South Africa. Wall Street observers believe important US securities firms like Merrill Lynch, Goldman Sachs, Smith Barney Shearson Inc and Lehmann Bros are likely to re-enter South Africa.

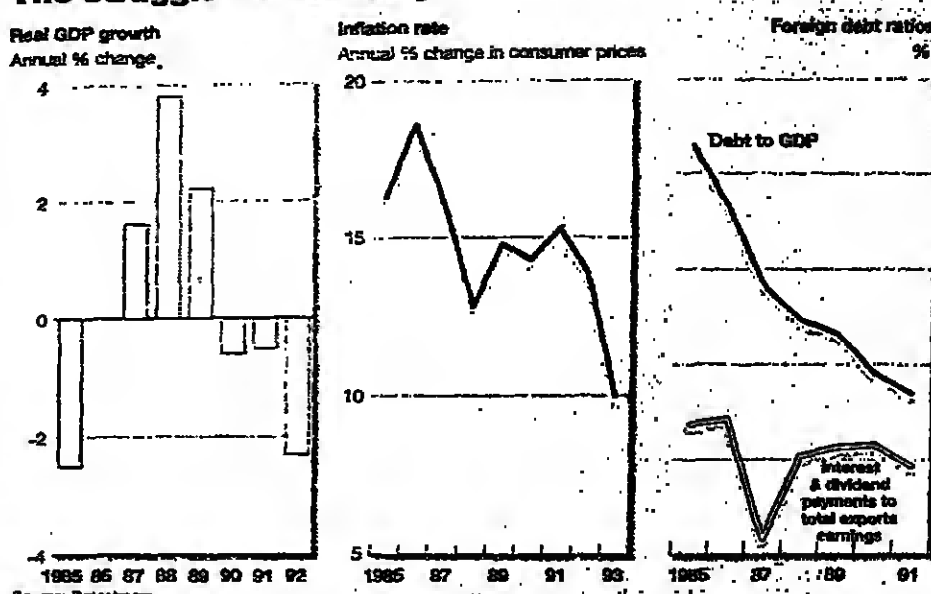
### Sanctions against South Africa: 30 years of pressure

- 1963 • UN calls for voluntary ban on arms sales
- 1964 • India imposes total trade ban
- 1964 • Japan bans direct investment
- 1973 • Arab countries impose oil embargo
- 1977 • UN resolution calls for mandatory arms embargo
- 1978 • UK bans North Sea oil exports
- 1978 • Sweden bans new investment
- 1985 • UN Security Council calls for suspension of new investment and export guarantees; prohibition of kuglerand sales, nuclear contracts and sales of computer equipment for use by security services; restrictions on sporting and cultural relations
- EC bans sales of arms, oil and nuclear co-operation
- US bans computer exports to security services, nuclear technology exports, new loans (except those that benefit all races) and kuglerand imports. It also limits export assistance
- Commonwealth bans sale of oil, nuclear fuel, material and technology, and computer equipment to security services.

Source: GATT

- It also stops government funding for trade missions.
- Japan bans computer sales to security services
- France bans coal imports
- Various countries ban agricultural imports
- EC and Japan ban imports of iron and steel
- US adopts Comprehensive Anti-apartheid Act, prohibiting imports of kuglerand, military equipment, coal, uranium, iron, steel, textiles and agricultural products, and exports to the South African government of computers, munitions, crude oil and petroleum.
- US bans new investment and bank loans
- UK lifts sanctions on new investment
- US repeals anti-apartheid act, but 27 US states and 49 cities retain sanctions
- Japan ends sanctions
- Japan renews diplomatic links
- Italy lifts oil embargo
- Norway and Sweden lift sanctions
- Mandela calls for end to sanctions except for arms embargo

### The struggle for recovery



Source: Datastream

## ANC bid for deal with white extremists

By Patti Waldmeir in Johannesburg

THE African National Congress said yesterday it would intensify efforts to strike a deal with right-wing whites to ensure that they participate in next year's multi-racial elections and reduce the threat of right-wing violence.

The ANC and the white right-wing Afrikaner Volksfront have held a series of meetings in recent weeks to discuss right-wing demands for an Afrikaner homeland, but have made only limited progress.

The desire by the Afrikaner Volksfront to have an area demarcated as a Volksstaat for Afrikaner people, where Afrikaners will be able to survive as a nation, was tabled for frank and forthright discussions, the two sides said yesterday in an unusual joint statement.

Mr Nelson Mandela, ANC president, has often said that the ANC is prepared to accommodate the demand for Afrikaner self-determination, by devolving many central government powers to a region where Afrikaners would have a significant presence.

ANC officials said privately they were willing to draw up regional boundaries to maximise Afrikaner support in one region, probably in the Eastern Transvaal.

But Afrikaners would not be in the majority and would not control the government; there was no question of an independent ethnic state for Afrikaners.

But they hoped that such a region could allay Afrikaner fears of a black-dominated South Africa, by providing an area where white political power would not be completely diluted.

However, major differences remain between the two sides, with the Afrikaner Volksfront insisting that non-Afrikaners would hold an inferior form of citizenship in their proposed state, a demand which the ANC vehemently rejects.

Talks are at an early stage and have not yet focused on detailed maps of where the proposed state would be situated, or what powers it would exercise. The two sides also disagree on a definition of self-determination.

The gap between the two sides is likely to prove difficult to bridge, but officials from both the ANC and government see the effort to do so as crucial to avoiding civil war in South Africa.

The ANC is particularly keen to accommodate the Afrikaner Volksfront, the relatively moderate wing of the white right, in an attempt to split Volksfront members away from the ultra-radical Conservative party. The ANC is also trying to prevent a threatened alliance between the radical right and Inkatha.

## Market forces were the power behind sanctions

By Philip Gawith in New York and Patti Waldmeir in Johannesburg

BLACK and white South Africans alike find it difficult to be dispassionate about the 30-year sanctions era, which ended with yesterday's call by Nelson Mandela to abandon the sanctions weapon.

In anti-apartheid circles, it is treated as self-evident that sanctions brought the economy to its knees and the ruling National Party to its senses; conversely, many whites believe they were either unnecessary or actually counter-productive.

The answer is that sanctions had different effects on different segments of the population, reinforcing the paranoia of the right while simultaneously spurring reform among those already committed to change; angering some blacks while boosting the morale of others; and while usually achieving some effect, often missing the intended target.

Viewed as a strategy aimed at bringing about a clear transfer of power from whites to blacks, sanc-

tions cannot be said to have succeeded. But they were clearly a factor in the potent cocktail of forces which led to the demise of apartheid.

In an authoritative report for the London School of Economics, researcher Ms Merle Lipton concludes: "His (Mr F.W. de Klerk's) unexpected crossing of the Rubicon (in 1990) goes beyond any consideration of sanctions, which were not hurting enough to explain such a dramatic move." Mr de Klerk has simply recognised, as his predecessor Mr P.W. Botha had begun to do, that apartheid had led South Africa into a cul-de-sac from which it had to emerge to guarantee its survival.

Whatever the political impact of sanctions, it is clear that they had considerable psychological and economic effects; whether they were unavoidable or unnecessary, there can be no doubt that they were costly.

Tens of thousands of skilled whites left the country rather than accept the status of international pariahs, refusing to live in a society

deprived of normal cultural and sporting exchanges. And even the most defiant supporters of apartheid have nonetheless shown obvious delight at being readmitted to the international sporting community since 1990. Indeed, many would argue that sporting and cultural sanctions were the most effective of all - not least because these measures had a clear and unambiguous impact, unlike economic sanctions whose effects are difficult to differentiate from normal market forces.

Ms Lipton argues that while sanctions imposed extra costs and difficulties for the South African economy, the country's economic problems "are neither unique nor solely due to sanctions. They are primarily due to market forces reacting to adverse perceptions of its economic and political problems."

Indeed, markets and not politicians imposed the harshest sanctions of all: the shortage of international loan capital which has so severely constrained economic growth since the mid-1980s. The cri-

sis was provoked in 1985 when, against a background of internal unrest, several US banks refused to roll over existing loans to South Africa, precipitating a liquidity crisis which forced Pretoria to declare a unilateral moratorium on debt repayments. It has since been repaying those debts under a scheme agreed with creditor banks, reducing its debt to 15 per cent of GDP at the end of 1992 from 43 per cent in August 1985.

This has come at a price, however: debt had to be repaid from the country's savings, leading to a net capital outflow of more than R40bn. Not only could this money have gone towards much needed domestic investment, but the need to repay debt has forced Pretoria to constrain growth to avoid sucking in imports which would endanger the current account, which had to remain in surplus to cover repayments.

In terms of direct investment, both domestic and foreign, the effects are difficult to quantify. Sanctions prompted uneconomic investment

decisions from the public sector, including the decision to invest in a synthetic fuel industry to provide 30 per cent of fuel needs at well over the world market price. The R12bn invested in the Mosses synthetic fuels project, for example, is 10 times the 1993/94 budgetary allocation for housing, an area of dire shortage.

Foreign disinvestment also imposed a burden, with hundreds of US and European companies pulling out. However, the effects were ambiguous: though many companies which wanted to remain were forced out by sanctions, over half are believed to have sold out at bargain basement prices which primarily benefited rich whites, and many retained non-equity links which made their withdrawal largely symbolic. Some job losses among blacks also resulted.

Trade sanctions were probably less effective: merchandise exports held up remarkably well during the sanctions era. Figures from the Reserve Bank (central bank) show that the physical volume of exports

rose by 10 per cent a year from 1984-90 and from the mid-1980s onward, despite sanctions. Growth in South African exports compares favourably with the overall growth in world trade.

This is partly explained by the fact that two thirds of exports were remarkably "sanctions proof", being strategic metals and gold. And though exports would certainly have been even higher without sanctions, their effect was not decisive.

Over time, the effect of the oil embargo also declined: local oil companies have been able to buy crude on international markets for some time, without paying an "apartheid penalty."

However much as South Africans disagree over the effectiveness of sanctions as a tool to inflict economic pain and reap political gain, they agree on at least one thing: they are heartily glad to be rid of them. They realise that the imperative now is to build the economy, not attack it for political ends. That, in itself, is progress.

## Presidential contender flies home to Lagos

By Michael Holman, Africa Editor

THE battle for the leadership of Nigeria was set to resume yesterday as Chief Moshood Abiola flew back to Lagos to a hero's welcome to press for recognition of his victory in the country's annulled presidential poll of June 12.

News agencies reported that he was met at Lagos airport off a flight from Paris by a huge crowd of supporters who defied security arrangements aimed at limiting the size of the reception.

Thousands of people, many dressed in the green and white colours of his Social Democratic Party, lined the roads from the airport and cheered the waving Chief Abiola as he was driven the two miles (three km) to his Ikeja home.

He made no public statement at the airport but his return is likely to boost the tempo of the crusade to have him sworn in as president.

"All we are saying is give M.K.O. a chance," his supporters sang to the tune of the popular John Lennon song, referring to Chief Abiola by his popular nickname.

"M.K.O. is our man!" the crowds chanted, waving placards saying "We want M.K.O. for president."

In a statement marking the end of a self-imposed six week exile and released yesterday morning, Mr Abiola called for a "peaceful" response to his

return.

"Nothing should be done to wipe off the positive achievement," of the June elections, said the statement.

In spite of the warm welcome in Lagos, the heart of Mr Abiola's political stronghold, many of his supporters fear he has missed the boat. A general strike failed to shift the new military-led government which succeeded General Ibrahim Babangida from its plans to hold fresh elections next March.

Many of Mr Abiola's supporters have also been disappointed by his extended absence, which began when he fled Lagos in his private jet, fearing for his life. He nevertheless has the capacity to revive protest in the south, where his support is considerable.

Mr Abiola's tactics, however, will depend on the outcome of recent exchanges between him and the interim government led by Chief Ernest Shonekan.

In a statement sent to the Financial Times shortly before his departure, Mr Abiola said that he had delayed his return in response to a request by Mr Shonekan, relayed by the British foreign office.

Mr Shonekan had been expected to come to London for discussions "and return with me to Nigeria," said Mr Abiola. "Unfortunately this promise remains unfulfilled, and the suspicion now seems justified that the delay is designed to keep me out of Nigeria."

## Victor Mallet observes Cambodia's transition to democracy

### In the court of King Sihanouk

NORODOM Sihanouk was restored as King of Cambodia after signing a new democratic constitution yesterday, formally bringing to an end one of the UN's most expensive - and most successful - peacekeeping mandates.

The 70-year-old monarch, perched on a throne six feet above the ground, took the oath of office under the chandeliers and painted ceilings of the glittering throne room in his palace overlooking the Mekong River.

"I swear henceforth to abide by the constitution and to respect all the interests of the Cambodian people," he told the assembled diplomats, Buddhist monks, and members of parliament wearing blue silk pants and white jackets.

The ceremony was the culmination of a two-year, \$2bn UN operation to bring peace and democracy to Cambodia after more than two decades of war.

King Sihanouk ended the mandate of the UN Transi-

tional Authority in Cambodia (Untac) by appointing the leaders of a new government: the senior prime minister is his son Prince Ranariddh, whose royalist FUNCINPEC party won the most seats in a UN-organised election in May; Mr Hun Sen, one of the leaders of the previous communist administration, is the junior prime minister.

Yesterday was the occasion for mutual back-slapping, with the UN praising the king and the king praising the UN.

"Cambodia is a striking demonstration to the world that an intractable conflict can be resolved, and seemingly irreconcilable views can be reconciled," Mr Yasushi Akashi, the Untac chief, told a crowd of thousands in front of the palace.

"Cambodia will thus stand as a model and a shining example for other UN member states," he said in an address from the balcony.

Many Cambodians, however,

fear that the coalition government of royalists and communists will prove to be unstable, and they doubt whether the whimsical King Sihanouk will be able to confine himself to the ceremonial role of constitutional monarch.

King Sihanouk, who was protected as usual by North Korean bodyguards armed with concealed pistols, was first given the crown by Cambodia's French colonial rulers in 1941. But he resigned the throne after independence to enter politics in 1955, and was overthrown in a 1970 coup d'etat.

In a speech from the palace balcony, the king quoted Tito and de Gaulle to support his claim that his regime in the 1960s was a golden age of progress for Cambodia, but he is remembered as much for his brutal treatment of political opponents as for anything else.

The success of Untac and Cambodia's political factions in holding an election and establishing the new constitution is

overshadowed by the daunting and barely begun task of rebuilding one of the world's poorest countries.

At least King Sihanouk and his courtiers could be cheered by the sight of about 100 defectors from the Khmer Rouge among the soldiers parading in front of the palace.

The Khmer Rouge, the extreme left-wing guerrilla organisation blamed for the deaths of 1m Cambodians when it ran the country between 1975 and 1978, continues to harass the government from its strongholds in northern Cambodia, but about 1,200 demoralised guerrillas have surrendered since the election in May.

Prince Ranariddh, on walkabout in the crowd with his father, hugged some of the former Khmer Rouge fighters and told reporters: "Please don't call them any more rouge or blue or yellow. Now they are back in the national community."



A humbled Mrs Imelda Marcos prays after being sentenced to 19 years' prison for corruption. She is to appeal.

Associated Press

## China moots threat of early Hong Kong takeover

By Simon Holberton in Hong Kong

CHINA yesterday raised the political temperature over Hong Kong's political future when it published Deng Xiaoping's hitherto secret instructions to the Chinese leadership on Hong Kong, including the threat to take over the colony before 1997.

Publication of Deng's Hong Kong policy comes a week

before the foreign ministers of Britain and China meet in New York to review the progress of bilateral talks about the colony's constitutional development. The 12th round of talks starts in Beijing tomorrow.

The meeting comes as hopes are fading in Hong Kong for a Sino-British deal. China has failed to respond to a compromise offered by the UK, and Hong Kong government officials say the two may be weeks

away from breaking off dialogue unless Beijing relents.

Most observers saw the publication of Deng's thoughts in the context of next week's meeting rather than as China's response to losing its bid to host the Olympics in 2000, although China was angered by Britain publicly opposing the award of the Olympics to Beijing. Publication was carefully co-ordinated, suggesting that China planned it before it

knew at 2.30am Beijing time that it has lost its bid.

Deng's instructions were splashed across the front pages of the main Communist party newspapers throughout China. Hong Kong's two pro-Beijing newspapers also gave them front page treatment.

Mr Chris Fatten, Hong Kong's governor, sought to play down the significance of Deng's instructions. He said they predated by two years the

Sino-British Joint Declaration "which guarantees Hong Kong's way of life for 50 years after 1997."

Yesterday was 11 years to the day when Deng met Mrs Thatcher, the former prime minister, to discuss the transfer of the colony to China. His instructions, titled "Our basic position on the Hong Kong problem", were the record of the conversation he had with her on September 24, 1982.

He told Mrs Thatcher that China was interested only in three issues: the question of sovereignty, how China was to administer Hong Kong after 1997, and ways of co-operating with Britain to prevent "upheavals" in the colony before its return to China.

Deng said that in the event of "serious upheavals" China would make other arrangements for the early recovery of the colony.



## A high-contrast, black and white photograph of a car's interior. A large, bright, circular object, possibly a headlight or a large mirror, dominates the right side of the frame. The left side shows the dashboard and steering wheel area, which are dark and detailed with various controls and gauges.

### How does it work?

These sensors trigger a chain reaction which inflates the airbag.

*And within a fraction of a second, literally*

*The airbag doesn't replace the seat belt; rather it's designed to work together with it, so it's still vital that you always wear one.*

*Indeed, most of our cars will be fitted with*

*We believe driver's airbags are so important that on all our new cars for 1994\* we are making them standard. Starting with most models right now.*

**Everything we do is driven by you.**



\*Fiesta, Fiesta Van and Courier standard driver's airbag and optional passenger airbag available from January 1994 production. Driver and passenger airbags not available on Maverick.



## NEWS: UK

# Kuwait warned it may lose tax immunity

By Robert Peston in London and Peter Bruce in Madrid

KUWAIT has been warned that it is in danger of losing its valuable sovereign immunity from taxation in the UK by one of its most distinguished and longstanding UK advisers, Lord Shawcross.

The former Attorney General, who is an adviser to the Kuwait Investment Office, the emirate's international investment arm, gave the warning in a letter he wrote over the

summer to a senior member of Kuwait's ruling Al-Sabah family.

The KIO is believed to have made annual tax savings in the UK of at least \$1bn a year over the past decade as a result of being given sovereign immunity from taxation.

The Financial Times disclosed yesterday that Kuwait may have abused this immunity by receiving more than \$800m of tax refunds on its \$1.7bn investment in BP. According to the testimony of a former senior Kuwaiti official, the investment was

made by the Kuwait Petroleum Corporation, which is not entitled to sovereign immunity.

At the time the BP shares were bought, in 1987 and 1988, Kuwait said that they had been purchased by the KIO on behalf of the state investment fund.

Following the FT's disclosures, an Inland Revenue official said yesterday: "If allegations of tax abuse are brought to us, we will investigate."

Mr Gordon Brown, shadow chancellor of the exchequer, yesterday

wrote to the chancellor, Mr Kenneth Clarke, saying the Inland Revenue had been making an "over-generous and over-lax interpretation of sovereign immunity", which was "costing the exchequer and the British taxpayer millions".

There is no suggestion that Lord Shawcross was aware that the BP investment was made by the KPC. His letter warns about the possible loss of sovereign immunity because of concerns that damaging disclosures are likely to be made during

Kuwait's legal action against former KIO managers related to big losses on Spanish investments.

"The publicity attached to the case would be harmful," the letter says. "At the least it must raise questions as to the adequacy of the control and audit system exercised by Kuwait over the KIO, which permitted the alleged crimes to take place. This in turn would suggest that some of the defendants... were committing crimes of which the Kuwait government

was unaware... This would, I think, lead the British government to reconsider the status and activities of the KIO in the United Kingdom." Lord Shawcross's associates said he refers to KIO's tax status.

Mr Brown also said there was a case for withdrawing the KIO's right to sovereign immunity, which is normally withheld from state agencies such as the KIO if they act in a "commercial" manner. "Quite clearly the KIO was working in a commercial way," Mr Brown said.

## Rebel Tory MP may resign

A SENIOR Tory Euro-sceptic will meet his local party today to discuss whether to leave politics, David Owen writes.

If Sir Richard Boff resigned it would trigger a by-election which might narrow the government's precarious 17-strong parliamentary majority.

Sir Richard, MP for Holland with Boston in Lincolnshire, yesterday said he had received a "very tempting" offer from a publishing company to write books about Europe and agriculture.

Sir Richard, widely believed to be among the Tory rebels described this week as "barny" by Mr John Major, the prime minister, acknowledged yesterday that he might resign. But he said he hoped a compromise could be reached enabling him to remain an MP and write books.

Sir Richard's majority was nearly 14,000 at the last general election.

## Balfour Beatty wins M8 contract

THE SCOTTISH Office has awarded a £39m contract to extend the M8 motorway on the west side of Edinburgh.

The contract has been won by Balfour Beatty, the civil engineering business of BICC, the cables and construction group.

The work, due for completion in February 1996, will connect the M8 motorway to the Edinburgh city by-pass. It involves the construction of 7.3km of road and 16 bridges, three designed by the contractor.

## Business property sales show upturn

COMMERCIAL property sales are showing signs of recovery but there is unlikely to be any significant increase in prices in the coming year, said a market survey published yesterday by Christie & Co, the property valuers and surveyors.

The survey, based on market activity in the first half of the year, said opportunities for a recovery had been enhanced by interest rate cuts and increased capital investment.

## Underground staff hold strike vote

RMT, the transport union, is balloting its members on the Central line of the London Underground on a possible 24-hour strike in support of a dismissed colleague.

Mr Fat Sikorski, a union activist, was dismissed after alleged threatening behaviour.

A preliminary hearing of an industrial tribunal this week made an order forcing London Underground to continue paying him until a final hearing of the case. That could be any time in the next year.

## Lawyers get video links in chambers

SIR NICHOLAS LYEALL, the attorney-general, yesterday opened Britain's largest set of barristers' chambers - the first in the country to be equipped with video-link conference facilities.

New technology will enable the 57 barristers working out of Number 6 Fountain Court in Birmingham to speak to clients on remand without visiting prisons.

Mr Henry Walton QC, the head of chambers, said the video links could lead to considerable savings in legal costs.

## Cargo company sued by union

A CARGO company is being sued by the GMB general union over the death of two dockers in separate accidents at King George Dock in Hull.

Northern Cargo Services was prosecuted in both cases by the Health and Safety Executive. In the first it was fined £1,500 plus £1,000 costs, and in the second £3,000 plus £2,027 costs.

Neither of the victims' widows has yet received any compensation. Mr George Hewson, the GMB's regional industrial officer in Hull, blamed "the lack of health and safety provision" at the company for the deaths.

Accidents in Britain's ports have increased since the deregulation of dock labour five years ago.

## TUC choice

MR DAVID FELKART, former research officer with the National Union of Mineworkers, has been appointed to head the Brussels office of the Trades Union Congress, which will be formally opened on December 1.

## Hurd denies 'crisis' view

By David Owen

THE CONSERVATIVE party is gradually "coming together" on Europe, Mr Douglas Hurd, the foreign secretary, said last night, asserting there was no "crisis" at the centre of government.

Speaking on the day Mr John Major, the prime minister, used a magazine article to set out his European vision, Mr Hurd told Tory loyalists in Oxfordshire that the party was starting to look to Europe's future rather than raking over the past.

This was part of a process in which British politics was returning to normal after the "horrors" of the past 12 months, Mr Hurd said.

"Normal includes plenty of problems but no crisis... Normal includes the chancellor of the exchequer setting about preparing his Budget in an orderly way."

Initial Euro-sceptic reaction to Mr Major's article - in which he ruled out a British return to the European exchange rate mechanism in the strongest terms yet - belied Mr Hurd's remarks, however.

Mr Nicholas Budgen, Tory MP for Wolverhampton South West, dismissed it as calculated "manoeuvring" in the run-up to next month's Conservative party conference.

The government was "simply working on a different system leading to fixed exchange rates".

Mr Major was making a "shrewd attempt to try and manage public opinion at the Tory party conference - but it's nothing more than that".

Mr Bill Cash, the arch Euro-sceptic MP for Stafford, said there was nothing in the prime minister's words to suggest he had vetoed a return to the ERM.

"The move towards monetary union is clearly laid out in the Maastricht treaty," he said.

Mr Major's article was widely portrayed as a British attempt to pre-empt further discussion of economic and monetary union at the special EC summit planned for next month.

His advisers hope it will help to marginalise the hard-right backbenchers who have threatened to force a leadership election in the autumn.

## From businesswoman to watchdog

David Lascelles and Hugo Dixon profile the new gas regulator, and assess her task

MS CLARE Spottiswoode, the new director-general of Ofgas, will be "reading herself into the subject" before she makes any public comments, the Department of Trade and Industry said yesterday.

That could be quite a task. Apart from the 1,000 pages of the recent Monopolies and Mergers Commission report on the gas industry, she will have to familiarise herself with the short but tempestuous history of Ofgas's relations with British Gas.

But she arrives in the job with a reputation for intelligence and toughness, as well as an ability to charm - all traits that she will need in the tricky period ahead.

A Cambridge graduate in mathematics and economics, she began her career as a Treasury economist but soon left to run her own business, selling gifts and publishing computer software. She sold her company in 1988, since when she has been involved in a number of activities, including working on the government's deregulation initiative.

Not, at first sight, the most obvious set of qualifications for a gas industry regulator. But few of the UK's utility watchdogs had close connections with the job beforehand.



Ms Clare Spottiswoode may need all her reputed intelligence, toughness and charm

What counted strongly in Ms Spottiswoode's favour was her entrepreneurial flair: regulators these days are supposed to understand business.

The toughest part of her job will be to succeed Sir James McKinnon, the hard-hitting Scottish accountant whose relentless assault on British

Gas provoked the monopoly inquiry, and a virtual breakdown in relations between Ofgas and British Gas.

So infuriated was British Gas by his behaviour that it called on the MMC to curb his powers, accusing him of manipulating the press and engaging in devious practices.

However, the worst of that may now be past. Sir James said yesterday that the atmosphere was much improved.

"It's quite different now," he said. "British Gas are much more willing to co-operate." There was an acceptance at British Gas of the need to change.

Ms Spottiswoode's arrival should therefore give Ofgas and British Gas the opportunity to begin their relationship afresh, though it will be interesting to see how a female regulator is received in the very male bastion of British Gas's Riverbank House headquarters.

The exact nature of her role will depend on how far the government goes in accepting the MMC's recommendations. These called for the break-up of British Gas by 1997 and the abolition of its monopoly in the domestic gas market within five years after that.

Even if the government only accepts part of these measures, Ms Spottiswoode will be heavily involved in the future reshaping of the gas industry.

One of her main jobs will be to design a free market in gas where new suppliers can set themselves up in competition with British Gas.

This will be an enormously demanding task, requiring a delicate balance to be struck between market forces and the need to protect consumers' rights.

If the government went the whole way, she would also have to oversee one of the largest company break-ups ever seen in the UK.

## Lloyd's upbeat on corporate capital

By Andrew Jack

PROPOSALS FOR the introduction of corporate capital to the Lloyd's insurance market have already generated sufficient interest from potential sponsors to meet the market's demands for the coming year, it emerged yesterday.

Lloyd's said it was aware that at least 12 groups were considering underwriting in the market in 1994.

The total value of the capital on offer if all these proposals were to be implemented is about £1bn.

That compares with Lloyd's calculations of the potential for corporate capital of \$500m-£1bn for next year, which would allow for an underwriting capacity of twice that level.

The assumptions are based on total estimated underwriting on the market of £7.5bn in 1994, compared with £6.3bn this year.

Corporate capital would be able to benefit from the rules of limited liability suggested for the first time under the Lloyd's business plan. Most of the proposals have been in the form of investment trusts. It contrasts with the unlimited liability to which Names - individuals whose assets underwrite the market - are subject.

"We are pleasantly surprised with the level of interest," Lloyd's said yesterday. "Now we've got to see whether they will put their money where their mouth is."

Further details of interested groups are expected next week. But none is likely to request formal approval from Lloyd's until after the corporate capital proposals have been approved by Names.

Mr David Rowland, chairman of Lloyd's, wrote to all Names earlier this week seeking their support for the proposals at an extraordinary general meeting on October 20.

Many Names - particularly those who have had to cease underwriting because they have become insolvent - are concerned about the implications of corporate capital.

But a letter sent out yesterday by Mr Neil Shaw, chairman of the Association of Lloyd's Names, the highest Names' group, urges members not to assign proxies to the chairmen of the action groups involved in litigation against the insurance market, who are likely to vote against.

It calls on Names to make up their own minds and says it will provide further recommendations based on independent advice before the meeting.

## 200 jobs shed at UES Steels

By Andrew Baxter

UES STEELS, part of the UES Holdings joint venture between British Steel and GKN, plans to close its steelmaking plant at Templeborough, Rotherham, with the loss of at least 200 jobs.

The company yesterday blamed continuing European overcapacity in recent years for the shutdown.

It also said scrap and electricity prices had risen much faster than inflation, and it

was unable to recover the extra costs by raising prices because of market conditions.

The Templeborough plant, which employs 260 people, produces continuously cast steel billets for re-rolling within UES Steels and by outside customers.

It will close at the end of this year and production will be transferred to UES Steels' two larger plants at Aldwarke, also in Rotherham, and Stocksbridge, near Sheffield. Depending on market conditions, the

transfer might create between 40 and 50 jobs, UES said.

"This necessary step is being taken in order that UES Steels can retain its present position as a leading European producer and as a competitive source of engineering steels for UK manufacturing industry," the company added.

The engineering steels produced by UES are used in the automotive industry as forgings for crankshafts and gears. The steel is also re-rolled into bars that are machined to

make other automotive parts. Although car sales in the UK are rising, the continental European market remains depressed.

UES said about 45 per cent of its steel sales went to the continent.

The closure at Templeborough will reduce employment in UES Steels to about 4,000 by the end of this year, compared with about 6,700 four years ago.

The parent company, UES Holdings, was known as United Engineering Steels until 1991.

## Power companies praised

By David Lascelles, Resources Editor

ELECTRICITY companies were patting themselves on the back yesterday after receiving high marks for behaviour from Professor Stephen Littlechild, the industry regulator.

Prof Littlechild's annual report on customer service showed that companies failed to meet his standards in only one out of every 1,033 cases, compared with one out of 770 the year before. Complaints

decreased from 16,679 to 15,521.

The regulator said he was pleased companies were coming up to standards and providing better service for customers.

He added that he had set even higher service standards for 1993-94, and had doubled the penalties for failure.

London Electricity claimed the report showed it gave its customers the best electricity service in the UK, with a failure rate of 1.6 per 10,000 ser-

vices compared with a national average of 9.5.

Midlands Electricity said it was providing a better service and the lowest electricity bills in England and Wales. Mr Mike Hughes, chief executive, said his company's overall targets for service were now the highest in the country.

Companies with the lowest failure rates included Seaboard, Southern and Eastern. Those with higher rates were Hydro-Electric, South Western and East Midlands.

## ELECTRICITY SUPPLY STANDARDS 1992-93

Companies	Failures per 10,000 services
London	1
Seaboard	1
Southern	3
South Western	30
Eastern	5
East Midlands	20
Midlands	12
SWALEC	15
Manweb	15
Vorarlberg	4
Norweb	5
Scottish Power	14
Hydro-Electric	35

Source: Oftr

## Cumbria wins first inward investment from Far East

By Chris Tipler

CUMBRIA has won its first inward investment from the Far East, the Northern Development Company and the West Cumbria Development Agency announced yesterday.

Sammi (UK), a wholly owned

subsidiary of Korean audio speaker manufacturer Sammi Sound Technology Corporation, is taking over a former shoe factory on the Lilliput industrial estate near Workington.

The £1.6m project, won against competition from Ger-

many and Turkey, will initially create 67 jobs. The factory, due to begin production next spring, will assemble and manufacture a range of speakers.

Of the 20 Korean manufacturing plants already established in Europe, seven are in

Britain. Three of these, Samsung, Goldstar and Inkel, have settled in north-east England with NDC help.

The NDC and WCDA hailed Sammi's investment as a turning point for Cumbria, which has been hampered by poor communications links in its

fight for inward investment. "It's highly important, it's a tremendous morale boost," said Mrs Barbara Stephens, WCDA's operations director.

She believes it would stimulate further interest in West Cumbria from the electronics sector.

However, she said that Workington's Development Area status, under which Sammi's project has been granted regional selective assistance, has since been downgraded under the new assisted areas map to intermediate ranking.

## Ashdown's heartland troops remain unconvinced

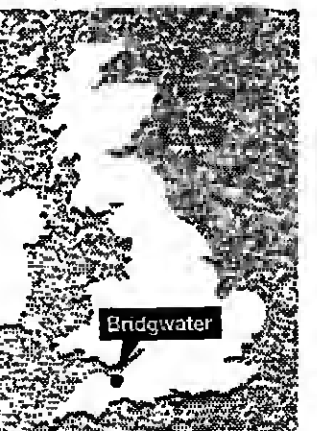
NEAR Bridgwater in Somerset the battle of Sedgemoor was fought in 1685, and the town's pub names such as Cross Rifles, Volunteer Arms and the Rebels' Retreat keep the memory alive.

The town is as good a place as any from which to view the ebb and flow of British politics during the conference season.

A small cross-section of the more politically interested Bridgwater voters assessed the Liberal Democrat performance this week. All accepted that Mr Ashdown's message was that there was a "dangerous gulf" between the government and the governed in Britain. But the conference left most of the panel unconvinced that Mr Ashdown could turn protest into power.

Mrs Beatrice Forber, who lives in retirement with her lieutenant-colonel husband on the edge of the Quantock Hills, described the conference as

As the Liberal Democrats finished their annual conference this week Roland Adburgham visited the party's stronghold area of south-west England. He spoke to a cross-section of voters in the Somerset town of Bridgwater to gauge their views on the performance of the party



Bridgwater

"the best and most professional they've ever had - brimming with self-confidence. But it won't shake her support for the Conservatives."

"There are so many holes in their rhetoric," she said. "They only see the dream and not the long-term cost."

Mr Ian Weston, a former RAF pilot who runs InterWorld Travel, a Bridgwater travel agency, thought the conference dull. "There was a lot of rhetoric we've all heard before: 'We're on the verge of a breakthrough, come on chaps, one more push.' It hasn't happened before and probably won't."

Only the converted thought the party would move forward.

Mr Hugh Barran, a Bridgwater solicitor who supports the Liberal Democrats, said: "Paddy Ashdown spoke very well. He used to speak in long-winded sentences, but now he speaks very well."

Mr Allan Challenger, a psychiatric social worker, was

more sceptical. "On the surface he is the most attractive of the three leaders, but he is not a man of great principle. My impression of all the party conferences in the last four years is that they are very stage-managed."

Ms Glen Burrows, who works for the county social services and is a shop steward for Unison, the public services union, was even more dismissive. "Paddy Ashdown is prepared to sacrifice any principles for political power, which is typical of the Liberal Democrats," she said.

"When Mr Ashdown talks of his party's councillors behaving responsibly, it means accepting underfunding and cutting jobs. It means playing to the government's tune."

Mr Challenger thought it "a real trap" that the Liberal Democrats had to try to win votes from both Conservative and Labour camps. Like most

of the others, he thought Mr Ashdown's attack on waste and council overstaffing was a sop to seek Tory votes.

Mr Weston thought it was inconsistent with some Liberal Democrat policies which would increase bureaucracy. "It is wholly electioneering," said Mrs Forber.

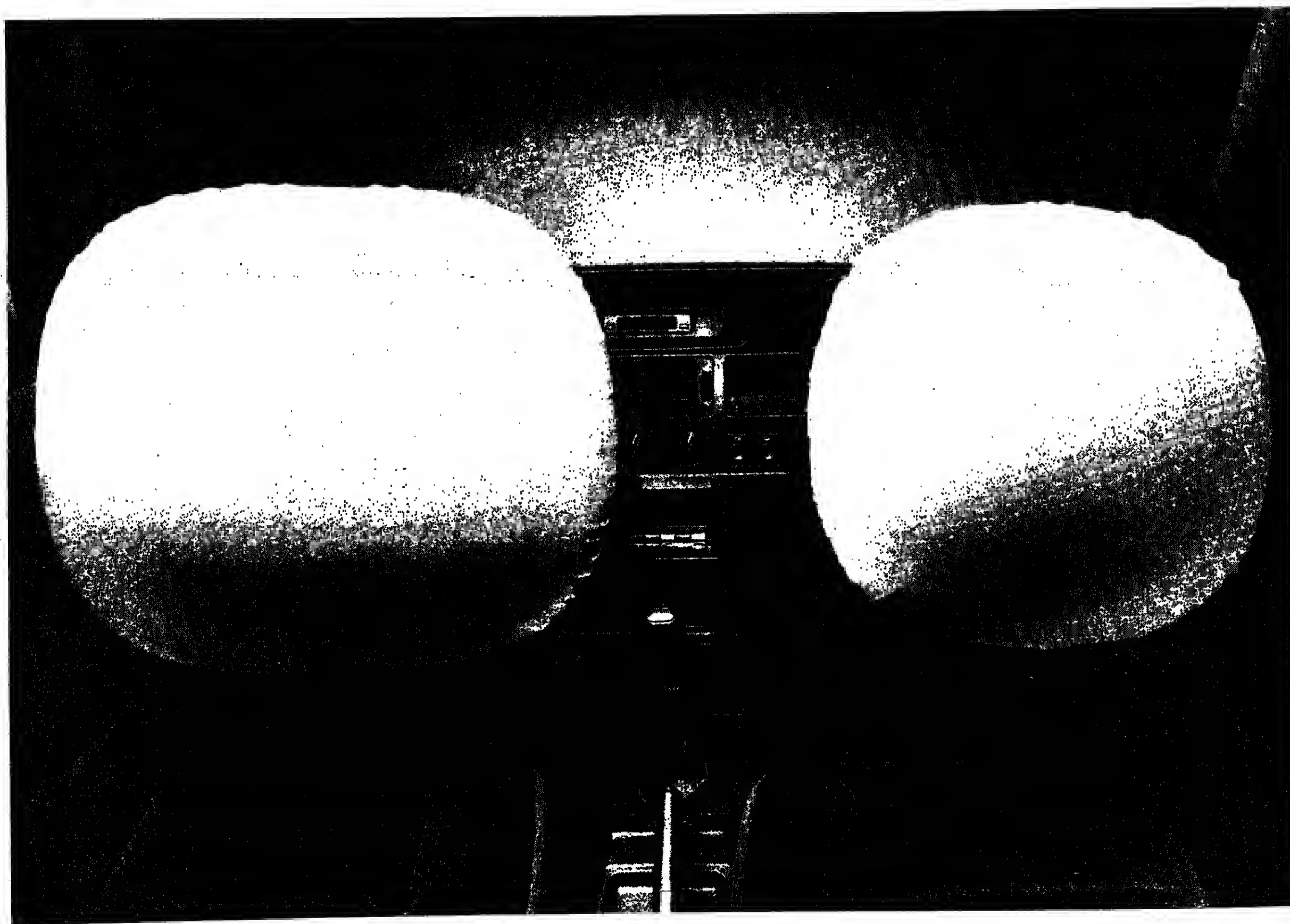
Mr Weston was also dubious about the Liberal Democrat bandwagon in Somerset in parliamentary terms. "People in Somerset are very parochial and there is a big gap in consciousness between a local council and parliament," he said. "I have an open mind on how I will vote," he added.

"But, from what I've heard this week, I am not persuaded that the Liberal Democrats are sensible people to run the country."

Roland Adburgham will visit the same panel of voters to gauge their reaction to the Labour party conference.



# **Now you can order any Ford car with standard driver and optional passenger airbags...**



Think of all major developments in motoring safety, disc brakes, seat belts, anti lock brakes.

In every case Ford played a leading role in making them widely available in family cars.

Finding ways of making new technology affordable is an important part of our commitment to you.

Especially when it's safety technology. Well, now there's the airbag, potentially

one of the most significant advances in motoring safety yet developed. So it shouldn't be surprising that we're taking the lead yet again. Now we're going to make a driver's airbag standard in all our cars for 1994\*.

All Mondeos already have them.

Now all Granadas, and all Escorts, including Escort vans, get them too.

And later in the New Year all Fiestas, Fiesta vans and Courier's will follow suit.

We're not forgetting your passengers either. At the same time we're making front passenger airbags available as an option.

It's all part of the total safety system we call Dynamic Safety Engineering, further proof of the increasingly advanced technology designed into today's Ford cars and vans.



**Everything we do is driven by you.**

\*Fiesta, Fiesta van and Courier standard driver's airbag and optional passenger airbag available from January 1994 production. Driver and passenger airbags not available on Maverick.

Rebel  
Tory  
MP may  
resign

Balfour Beatty  
wins M8 contract

Business property  
sales show upturn

Underground  
gold strike in

Lawyers get vital  
links in chambers

Cargo company  
sued by union

FTC choice



## NEWS: UK

# Strike ballot looms on firefighters' pay

By Robert Taylor,  
Labour Correspondent

TALKS in London to avert industrial conflict in the fire service this autumn failed to produce an agreement yesterday.

As a result, today's special delegate conference of the Fire Brigades Union is expected to endorse the calling of a strike ballot among its 49,500 members. The ballot would begin on October 4.

Speaking to 4,000 chanting firefighters outside the local authority employers' offices yesterday, Mr Ken Cameron, the FBU's general secretary, said he had "no doubt that 80 per cent of firefighters would back the strike call".

ing down the hill" and a conflict, though tragic, would be hard to prevent. Union leaders are planning a series of one-day nationwide stoppages if they secure the approval of the members.

The result of the firefighters' ballot will be announced on November 1 and the stoppages would begin after seven days' notice to employers.

Mr Cameron said the employers had failed to change their bargaining stance since June. They had told the union they could not honour the firefighters' 15-year-old pay formula this year, but had to make a pay award in line with the government's 1.5 per cent public-sector wage limit.

ers, blamed the government for the threatened strike.

"We fully support the firefighters' pay formula. It has kept the peace for 15 years," he said. "It has never been our wish to suspend the formula. That has been imposed on us by the government."

"We have told the union their members will have the formula in 1994, come what may."

Mr Conlan added: "We have made an absolute commitment to them. We sympathise with the FBU, though we can't support any strike action. The union is going to tremendous lengths to avoid a dispute."

He said the employers were to talk to Mr Michael Howard, home secretary, on Tuesday, and intended to hold a further



Firefighters demonstrating outside the local authority employers' offices in London yesterday where no agreement was reached

negotiations with the union in Glasgow next Friday on the eve of the strike ballot.

Firefighters outside the talks said they were ready to compromise with a staged deal if it gave them 1.5 per cent in November and the rest of the

increase calculated by the pay formula next April.

Both sides believe that the actual sum of money proposed by the formula for this year would not be much above the government limit.

The formula is based on an updated and adjusted link to the upper quartile of male manual workers' earnings, which is compiled each April in the government's earnings survey. This year's survey is due to be published next Thursday.

FBU leaders believe public opinion is on the firefighters' side.

More than 250,000 people have signed a petition backing their demand for the full implementation of the pay formula this year.

## Scots urged to take the blame

SCOTS WERE urged yesterday by Mr Alex Salmond, leader of the Scottish National party, never to blame the English for what was wrong with Scotland, James Buxton writes.

In his main address to the party's annual conference at Dumfries, Strathclyde, Mr Salmond said Scots had the ability to change the face of Scotland.

He said: "We should be angry at the government for what they are doing to Scotland. We should be angry at Labour for what they are failing to do. But let's make sure we never appear to blame the English or anyone else for Scotland's predicament."

## Interest in ethics codes increases

A THIRD of large British companies have codes of ethics or are developing them, says a survey released yesterday by the Institute of Business Ethics.

The proportion of companies which have published codes is 28 per cent, the same level as two years ago. But the survey also detected a further 5 per cent of companies working on codes.

The codes typically cover topics such as environmental responsibilities, conflicts of interest, "whistle blowing", and receiving entertainment and gifts from suppliers.

Code of Business Ethics, Institute of Business Ethics, 12 Palace St, London SW1 1LQ.

## Design Council to continue as usual

DESIGN COUNCIL services to industry will continue as normal while a review of its activities is carried out by a team under its new chairman, Mr John Sorrell, the council announced yesterday.

The organisation's size will be reduced in 1994 when much of its work is transferred elsewhere, mainly to the government's new Business Links network of advice centres.

## Bank deputy in plea on jobs

By James Blitz,  
Economics Staff

MR RUPERT Pennant-Rea, deputy governor of the Bank of England, yesterday issued a powerful plea for a reduction of unemployment in Europe. He said governments must tackle the problem through long-term reforms of trade and labour policy rather than by cutting interest rates.

In his first formal speech since taking office, Mr Pennant-Rea said western Europe was the only part of the industrialised world where the level of unemployment had progressively risen in the past two decades.

The deputy governor told a conference organised by the Italian Chamber of Commerce: "No-one, no European, certainly, can take much comfort from economic conditions in Europe so long as 17.5m people unemployed remains part of the tally."

Mr Pennant-Rea acknowledged that tight monetary policy could be a reason for the

continuing level of unemployment in some European countries. But he warned against thinking that high interest rates were the fundamental cause of the problem. Instead, he suggested addressing the issue by looking at microeconomic reforms in taxation, training and wage regulation.

Mr Pennant-Rea pointed to the need to continue liberalising trade policy, and warned against turning the European Community into a fortress against other trading blocs. He said: "To single out trade as a destroyer of jobs is perverse. It neglects the competitive dynamism that trade injects into every trading economy."

He also said reform was badly needed in labour market policy, in marked contrast to EC leaders who are committed to protective employment.

"There are many types of supply-side restraints," he said. "Europeans will have to tackle these restraints if we are to be as successful in creating jobs as the United States has been in recent years."

## Labour plans tax reforms to raise £8bn

By David Owen  
and Brown Madox

LABOUR yesterday unveiled a series of tax reform proposals that it said could raise £8bn over two years without increasing the basic rate of income tax.

The party also claimed families were facing an extra tax bill of nearly £8 a week in national insurance contributions, excise duty and income tax from next April. This was in addition to the higher fuel bills that would result from the

government's plan to impose value added tax on household fuel.

Labour labelled this the government's "double whammy", in ironic reference to the Conservatives' advertising campaign in last year's general election.

"Even the family on three-quarters of average income is hit by the Tory double whammy," said Mr Gordon Brown, the shadow chancellor.

Among seven proposed tax reforms, Mr Brown said the government could save £2bn

over two years by ending the abuse of sovereign immunity whereby companies traded "under the umbrella of" national governments. He said at least a further £2bn could be saved by ending the "underpayment of corporation tax."

He predicted water companies would pay "next to no corporation tax right throughout the decade" thanks to £7bn of tax allowances.

The Water Services Association, representing the 10 large water and sewerage companies of England and Wales, said last

night that "water companies are subject to the same tax rules as any other company".

The companies can offset some investment against profits in tax calculations. Because they are engaged in a large investment programme, allowances have generally been greater than profits, the association said.

Mr Brown proposed saving another £1.25bn over two years by:

● preventing companies from paying dividends in shares instead of cash to avoid paying

advance corporation tax; ● closing a loophole whereby capital gains tax and inheritance tax "interact", enabling some companies to claim double tax relief;

● not implementing the foreign income dividend for holding companies proposed by the government from November.

Further savings could be raised by retaining stamp duty on share transactions, imposing a levy on "excess" profits of privatised utilities, and accelerating the shutdown of business expansion schemes.

## Cash addition to interim accounts urged

By Andrew Jack

COMPANIES should provide detailed information on their cash position to interim accounts, say recommendations released yesterday by the Institute of Chartered Accountants in England and Wales.

They should present in their half-year figures details such as operating cashflow, and financing and investment pay-

ments required in FRS 1, the cashflow statement which is mandatory for companies to include in year-end figures.

The guidelines were produced by a working party of the institute's Financial Reporting Committee on behalf of the Accounting Standards Board. This was in response to recommendations by the Cadbury committee on financial aspects of corporate governance.

The guidelines go further than suggestions in the Cadbury report that companies might consider including some limited cashflow information in interim statements.

The working party says companies should provide a summary balance sheet, including details of fixed assets, creditors, provisions and capital and reserves.

It is unclear how the guidelines will be enforced because profit and loss account information such as turnover, interest payments, tax and exceptional items as required by FRS 3, the profit and loss accounting standard, it recommends a combination of approaches, treating most figures for the half-year in isolation, but relating some to expected full-year results.

The proposals are being circulated for comments by November 22.

the Financial Reporting Review Panel, the accounts watchdog, only deals with annual accounts. It is possible that the Stock Exchange may make amendments incorporating some of the recommendations in its official Yellow Book of listing requirements for quoted companies.

The proposals are being circulated for comments by November 22.

## Smith faces the big test on union reform

PASSION, intrigue and excitement will stalk next week's Labour party conference after an absence of several years. This is thanks to an ugly little acronym, OMOV, which has big implications for the party and the trade unions which created it.

The vote to exclude affiliated unions from the selection of parliamentary candidates at local level, in favour of one-member-one-vote, is a relatively minor constitutional matter in itself but one which has come to stand for much broader changes in the party-union connection.

It is the first big test of Mr John Smith's management of his party. If he loses the vote "there is a serious problem for his leadership", as one union leader put it yesterday.

The stakes are high. The votes may remain too close to call until they are cast on Wednesday morning. The union delegations, which account for 70 per cent of the votes compared with the constituency parties' 30 per cent, will by then have met for a second time and Mr Smith will have had a chance to sway them with his address on Tuesday.

The least that Mr Smith must hope for now is that there is no clear majority for any of the three main motions opposing one-member-one-vote. That would make it easier for the leader to impose a solution without a majority for the reform itself.

The main obstacle is the two general unions - the TGWU and the GMB - which between them account for nearly 30 per cent of the votes at the conference and which are estranged from the party leadership.

In the case of the left-led TGWU this is not surprising. of 2.1m. Mr Bill Morris, TGWU general secretary, blamed the decline in membership on the contraction of employment since 1979 in private manufacturing, the former stronghold of the union.

The largest section of the union is now employed in the public services - 107,655 members - followed by food, drink and tobacco (102,077), and commercial services (97,312). Only 15,192 members are employed in docks, waterways and fishing, and 73,163 in the vehicle building and automotive sector.

Nearly a quarter of the TGWU's members are in London and the south-east, with 166,506 in the Midlands and 127,270 in the north-west.

David Goodhart reports on the leading issue at next week's Labour party conference

In the case of the GMB, with its reputation for Labour loyalty and support for "moderniser" themes such as ending the union block vote, it is much more surprising and, according to fellow union leaders, down to one man - GMB leader Mr John Edmonds.

"Mr Edmonds has never really found a secure niche in the union movement and he had a particularly uncomfortable time at this year's TUC congress, being shunned by the people who are normally his allies and feted by the leftwing dinosaurs," says a senior official in the GMB.

Many reasons have been found for Mr Edmonds' hostility to one-member-one-vote. Some say it stems from his union's belief that the proposal is the start of an attempt to push the unions out of the party. Others suggest it is a manoeuvre by Mr Edmonds to appeal to the dominant left of the TGWU with a view to winning the top job when the two unions merge in the next two years. Whatever the truth, the GMB's decision to oppose the reform caught the Smith camp by surprise earlier this year and threw their calculations into disarray.

Mr Smith had made clear his support for one-member-one-vote when he was elected leader, with overwhelming union backing, last year. Mindful of the trouble Mr Neil Kinnock had with the issue, he

placed the subject into a union-party links committee last July.

"It was then that the Smith office seemed to take its eye off the ball. Too many people were heading back to Scotland for long weekends and there was a feeling that issues like OMOV would look after themselves," says one insider.

By the time this year's union conferences came round the damage had been done. The links committee produced an inconclusive report. The unions were feeling under attack and started to see one-member-one-vote as the thin end of the wedge.

Several key unions that normally would have supported the leader - the GMB, Naps, the UCU, the MSP and Uslaw - passed conference resolutions against the reform. Many constituency parties, which had earlier backed it, withdrew support under the influence of disgruntled union officials.

In the past few weeks Mr Smith and Mr Murray Elder, his chief adviser, have come out fighting. "I've been left on fire effectively by the supposedly hands-off Smith than I ever was by the hands-on Kinnock," says one union leader who opposes the reform.

Mr Smith's powerful speech to the TUC on worker rights dispelled the idea that he was anti-union, and his acceptance that the unions should retain a corporate presence in the election of the party leader has increased goodwill towards him.

It may be too little, too late. But with some subtle composing of motions, procedural manoeuvres, and a refusal by the TGWU delegation to back any anti-OMOV motion but its own, the leader could scrape home.

## TGWU members below 1m

By Robert Taylor

MEMBERSHIP of the TGWU general union has dropped below 1m for the first time since the middle of the second world war, it was announced yesterday.

The union has 994,881 members, less than half the figure of 14 years ago when membership reached its highest total

of 2.1m. Mr Bill Morris, TGWU general secretary, blamed the decline in membership on the contraction of employment since 1979 in private manufacturing, the former stronghold of the union.

The largest section of the union is now employed in the public services - 107,655 members - followed by food, drink and tobacco (102,077), and commercial services (97,312). Only 15,192 members are employed in docks, waterways and fishing, and 73,163 in the vehicle building and automotive sector.

Nearly a quarter of the TGWU's members are in London and the south-east, with 166,506 in the Midlands and 127,270 in the north-west.

### MINDING YOUR OWN BUSINESS

#### INVESTORS REQUIRED

STOCKBROKERS, INSTITUTIONS, PRIVATE INVESTORS

Current rate of return up to 10% per annum guaranteed paid monthly, quarterly, six monthly.

All investments fully secured. Minimum 5 year term investment.

Replies to: Weather Bailey Bragg, 100 Boldmere Road, SUTTON COLDFIELD, West Midlands, B73 5UB. Telephone: 021 355 1901

#### AUSTRIA/EAST EUROPE

Austrian comp., est. 1949, turnover £8 million, own chemical production and well-known distributors excellent contacts to various industries in Austria and East Europe (office also in CZ) has completed new building and therefore space for additional activities.

Pls contact us if you want to start or reestablish your business opportunities in our part of the world. R. USNER LTD. Fax-Nr.: 43/6243 8151640 (Dr. D. Usner)

MOSCOW BASED BRITISH BUILDING COMPANY HAS CAPACITY FOR BUILDING WORKS IN MOSCOW AND THE C.I.S. OFFICES, APARTMENTS, ETC. DESIGN AND BUILD PACKAGE. WESTERN FINISHES TO HIGH STANDARDS. CONTACT A. V. DESIGN MOSCOW OFFICE Tel/Fax: 010709 59281517 UK OFFICE TEL: 0753 841800 Fax: 0753 840899

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

#### BUSINESSES FOR SALE

##### FOR SALE

Profitable Consultancy and Training Business. Turnover in excess of £1.1 million in ISO 9000/9001/9002 market. Excellent management with strong technical expertise. Extensive client and prospects base. PRINCIPALS ONLY apply to: Box B1777, Financial Times, One Southwark Bridge, London SE1 9HL

CORNWALL A Commercial Nursery business with 2.8 acres of sea fronted aluminium glass on a south facing site. Ancillary buildings. Two residences. All set within approx. 5 acres. MILLER & COMPANY, AGRICULTURAL DEPT. MANION HOUSE, PRINCES STREET, TRURO, TR9 2PF. Tel: 0872 74211.

##### PHOTOGRAPHIC RETAIL CHAIN

Established shops in South West Available Individually or together.

Write to Box B1785, Financial Times, One Southwark Bridge, London SE1 9HL

#### DELTA BLOODSTOCK MANAGEMENT

The City Racing Specialists

Delta Bloodstock Management congratulates its Owners on an outstanding year and invites you to join in their success. Contact the City Racing Specialists for:

- BLOODSTOCK PURCHASE, SALES AND MANAGEMENT
- SELECT RACEHORSE PARTNERSHIPS
- VET REGISTRATION AND RETURNS.

For user friendly advice on all aspects of British and European horse racing, contact Tony Esler or Linda Sadler on Newmarket (0638) 560484; Fax 731955

Own a Racehorse in 1994 Four exceptional yearlings to race in 1994 from Guy Harwood

For more information on the USA, please contact: Mr. J. J. Esler, Delta Bloodstock Management, One Southwark Bridge, London SE1 9HL. Tel: 0203 488444; Fax: 0203 488333

CUT THE COST OF BANKING Reduce bank charges and save administration time. CASHBACS makes automated payments simple. The Cashbacs Guide to Automated Payments provides a step-by-step guide for first time users of CASHBACS. Call 081-950 0487 for your copy and demonstration disk. Cashbacs - The easy way to BACS

USA MBA PROFESSIONAL Sr. Corporate Development Executive (Global) available to conduct acquisition searches in North America. Top corporate background. Excellent knowledge of many international markets and companies. Work alone or as team member. Will be in London October 14-20. Meetings encouraged. Respond by fax to USA (817) 995-1044 or call (817) 995-0614

#### BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact

Karl Loynton on 071 873 4780

or

Melanie Miles 071 873 3308

### BUSINESS SOFTWARE

To advertise in this section please telephone 071-407 5733 or write to Alison Price at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax 071 873 3065

#### UNIVERSAL EXOTICS, OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS

Additional spreadsheet functions for Capital Market Professionals using Lotus 1-2-3 and Excel. Includes: CDS, MBS, European and American style options and warrants on bonds, commodities, currencies, futures and shares. Price 30 day trial. Financial Systems Software 2 London Wall Buildings London EC2M 5PP Tel: +44 71-628 4200 Fax: +44 71-688 2716

#### ACT! THE SALES MANAGEMENT SYSTEM

- Tracks all your Client Contact
- Prompts all your actions
- Has full WP, Modern, Fax support
- DGS, WINDOWS, NETWORKS, MAC, HP/UX
- Training, Consultancy, Support, Product
- Ask for those willing to get and stay ahead

Only for the DEMO DISC and Company Tel: 0282 488444 Fax: 0282 488333

#### CUT THE COST OF BANKING

Reduce bank charges and save administration time. CASHBACS makes automated payments simple. The Cashbacs Guide to Automated Payments provides a step-by-step guide for first time users of CASHBACS. Call 081-950 0487 for your copy and demonstration disk. Cashbacs - The easy way to BACS

#### SHARETEXT FOR WINDOWS

3.11 ShareText: Text editor with your word processor, spreadsheet etc. Features comprehensive filtering, Sector analysis, Movers, Moving averages, Graphs, Real time FT-SE display, DDE, Portfolio management, price alerts, Automatic news gathering & updating. Price £165 + VAT. Demo disk available. FTL Ltd. Tel/Fax 081 902 3900

#### TECHNICAL ANALYSIS by INDEXIA

London in Technical Analysis & Options software. A powerful system - Shareholder 2.5, Intro 2.0, INDEXIA II & 2.0 (includes free home-study course) and INDEXIA II Plus 2.0 (includes free home-study course plus new release TA book). Supplied with historical data. Update manually, or automatically through Teletext or Market Origin. INDEXIA Research, PO Box 545, Bournemouth, Dorset BH4 3JY Tel: 0142 678018 Fax: 0142 678334

#### 1-2-3 TAKEOVER

Analyze the financial health of any company. Demonstrates its commercial and financial strengths. Develop an acquisition. Price £38 (includes VAT), IBM/compatibles. Clear manual. Disk size 730 30 days money-back guarantee. 24 hour answerphone 0942 252 191. Financial Systems Software Ltd., The Vanguard Suite, Middlesex Road, TSW 1 5JA. Tel: (0942) 239777 Fax: (0942) 243650.

#### VOLUME ANALYSIS

The only program in the world that understands volume. Trade the same information that top professionals use. Volume analysis uses artificial intelligence techniques which are unique to this program. An entirely automatic system producing graphics and offers technical analysis, explaining market moves, and much more. If not completely satisfied, simply return the program within 30 days for a full refund. £250. Tel: 0273 771066 Fax: 0273 329190

#### FAIRSHARES

Our software range (from £50) provides true portfolio management, displays superb graphics and offers technical analysis, a market scanner and an investor's PEG ratio analysis. Our DataService (from £20) downloads prices, results, dividends and director changes via teletext, modem or disk. "A powerful aid to decision making" Financial Times Tel: 0203 488444 (24 Hours) for free information peak and fully working demonstration disk.

#### COMPUTER AIDED SALES & MARKETING

Breakthrough, a comprehensive sales & marketing productivity system. Handles, contacts, prospects, clients, desires, products & services. Produces form letters, newsletters, sales action lists. Report generator included. Manage sources, campaigns, mailing, response evaluation, notes, telephone scripts & much more! DEMO DISC available. SOUL, FRASERPORT, London W10 1NN Tel: 021-682-0196 Fax: 021-365 2492

#### SELECT 400 UNIT TRUST SYSTEM

Robust Networked Package Recommended by top Fund Managers Complete functionality Multi-currency Multi-lingual Comprehensive European and Arabic High Staff Productivity A totally modern, economic Platform for L.T. efficiency John Owsen Chief, Software Tel: 0254 826677 Fax: 0254 826763 BSI Nuburn PO Box 400 0703 244226 Fax: 0703 244548

All Advertisement bookings are accepted subject to our current Terms and Conditions, copies of which are available by writing to

The Advertisement Production Director The Financial Times One Southwark Bridge London SE1 9HL

Tel: 071 873 3223 Fax: 071 873 3064

#### YOUR OFFICE IN LONDON

From 70p a day. Accom/Tel Ans/Tlx/Fax/Mail Box etc. Office Box.

Tel: 071 436 0766 Fax: 071 580 3729

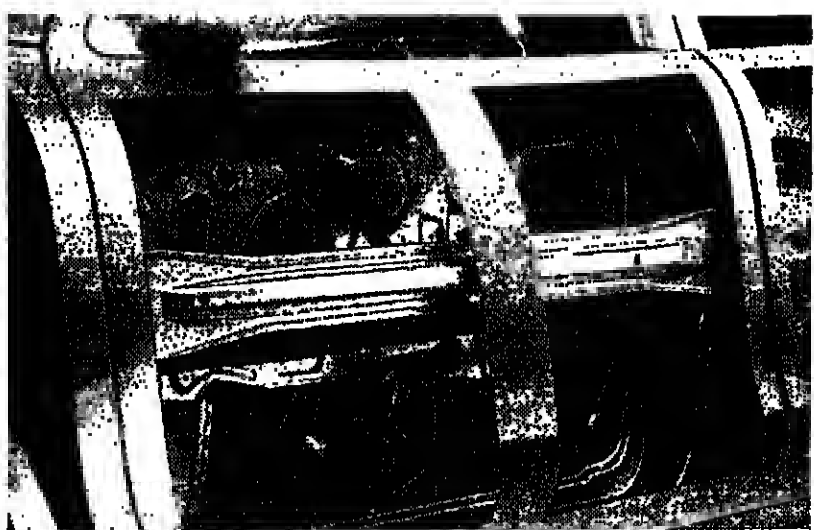
#### Your Office in Miami

Accom/Tel/Fax/Computer Secretary/Car £270/day Fax: (305) 221-7394 USA

MAYFAIR ACCOMMODATION. Established and telephone, fax, mail, private office/secretariat by the hour. Established 14 years. 071-480-0321



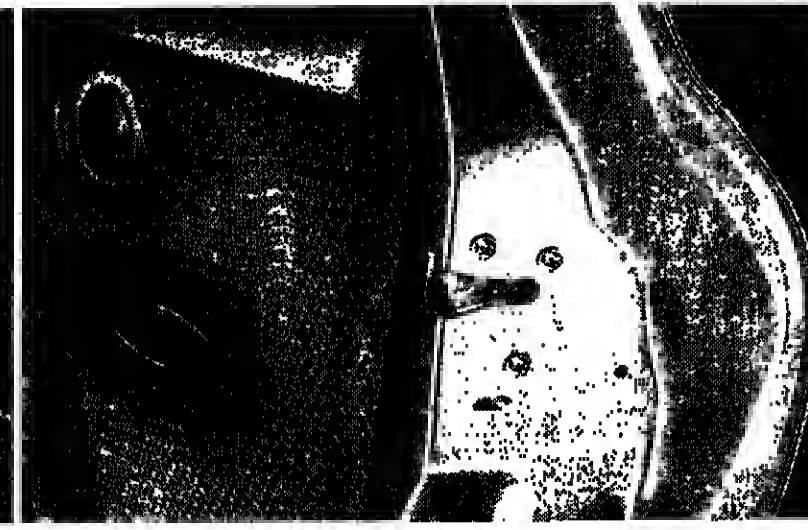
# **But there's much more to safety than seat belts and airbags.**



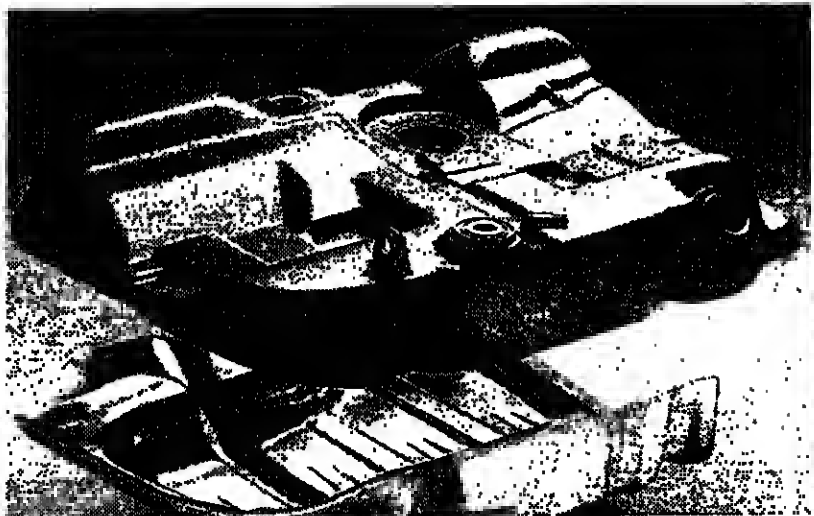
Side impact bars



Seat belt pretensioners



Burst proof locks



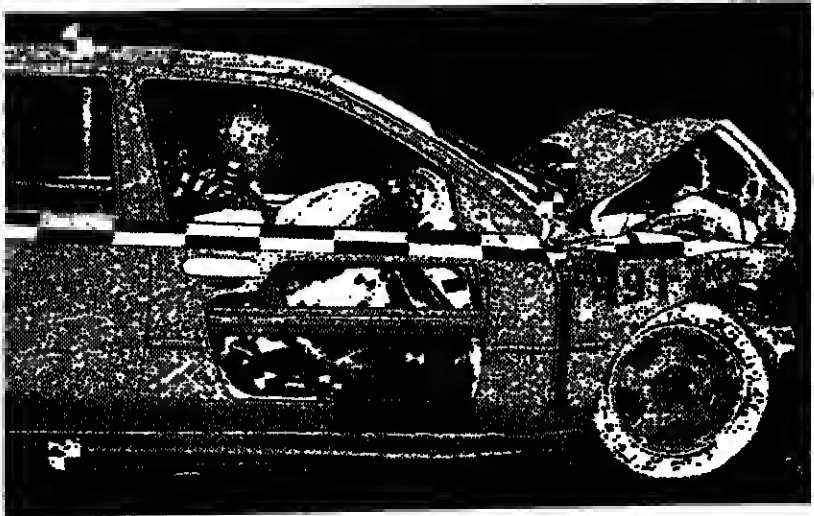
Impact resistant fuel tank



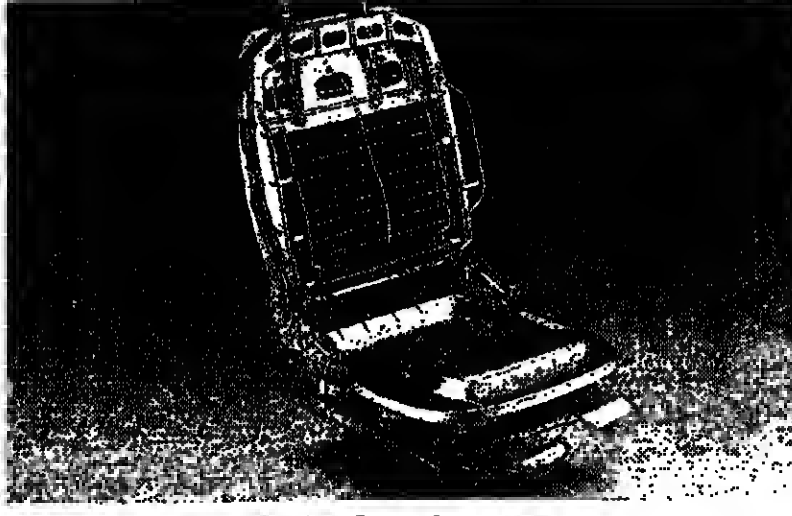
Driver and passenger airbags



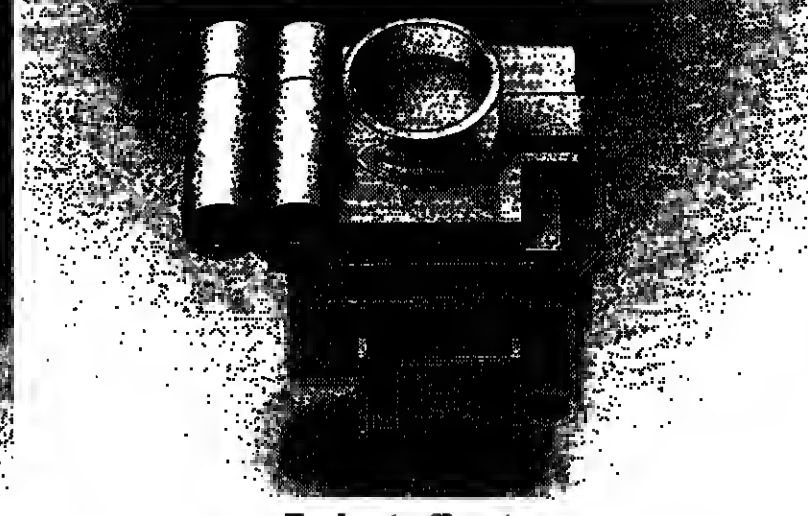
Safety steering column



Crumple zones



Anti-submarine seats



Fuel cut-off system

The airbag is only one part of our total safety system, a system we call Dynamic Safety Engineering or D.S.E. for short\*.

D.S.E. is much more than just a list of safety features. It's an intrinsic part of the design philosophy of every car we build.

It begins on the drawing board.

It's designed in, not bolted on.

In fact it affects your whole car - the way it accelerates and brakes, its handling and, of course, the way it's designed to help protect

you if you do run into trouble.

With elements like front seat belt pretensioners that hold you tight when they sense an accident happening.

And anti-submarine front seats designed to help cut the risk of you sliding forward under the seat belt in an emergency.

And impact bars in the doors to help protect you from side impacts.

And impact resistant fuel tanks to reduce the risk of fire.

Most of all, though, we hope D.S.E. will add to your enjoyment of your car. Because the safer you feel the more you and your passengers will enjoy motoring.

Yes, there's clearly far more to safety than airbags and seatbelts.

It's all around you in a Ford.



**Everything we do is driven by you**

\*Elements of D.S.E. vary by model.



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Saturday September 25 1993

## New doctrine for the G7

THE REGULAR meetings of the leaders or finance ministers of the Group of Seven industrialised countries have promised much in recent years: co-ordinated growth strategies, exchange rate stability, debt relief or a Uruguay Round agreement. They have delivered almost nothing of value. Little wonder that seasoned observers argue that the G7 conforms to the Sinatra doctrine - they meet, talk and then do it their way. Some argue that disbanding the whole charade - the "strangers in the night" alternative - would make more sense.

G7 finance ministers are once again gathering in Washington this weekend. They do so at a time of great insecurity in the world economy, and not just because of Russia's present difficulties. Growth across the developed world is slow and expected to remain sluggish, while unemployment is very high and rising. The spectre of low-wage competition from east Asia and Latin America is feeding protectionist sentiments, while both the North American Free Trade Agreement and the Uruguay Round of trade liberalisation are under threat.

Now, more than ever, the world needs the G7 to address these challenges, not simply meet and talk and hope they will go away. But first, the G7 must decide what it exists for. To do so, it must recognise that its error has been to believe macroeconomic co-ordination was its primary task, a role at which G7 summits have proved singularly ineffective. Neither the US nor the rest of Europe has managed to persuade Germany to tighten fiscal policy over the past two years and thus allow its interest rates to fall. Nor do the US and the IMF look likely to persuade the rest of continental Europe to cut their interest rates to more sensible levels. Meanwhile, sluggish growth in both the US and Japan results, in part, from past co-ordination failures - the ill-fated attempt to manage the yen-dollar exchange rate in the late 1980s, and the failure of the rest of the G7 to persuade the US to bring its fiscal deficit under control earlier.

### Developing world

Macroeconomics is not the G7's forte. Unless fiscal policy is also co-ordinated, monetary policy is best left to national governments. But this does not mean that the summits can serve no useful purpose.

Far from it. If only G7 governments could persuade each other, and their electorates, to lift their eyes above short-term difficulties, they would see that the medium-term outlook for the world economy is far from discouraging. For, while developed countries have

founded in recent years, growth across the developing world is accelerating. Latin America has recovered from its 1980s debt crisis, economic recovery is under way in Poland and imminent across the rest of central Europe, while even Russia may now be closer to reform than at any time in the past two years. Most important, China and India - together accounting for half the world's population - are now embracing market reforms. The IMF expects developing country growth to average 6 per cent a year between next year and 1998, faster than at any time in the past 20 years. Only crisis-ridden Africa is still out in the cold.

### Global markets

This outlook is not assured. It depends on whether G7 governments, and their electorates, can adapt to a new economic order in which increasingly global markets in goods, foreign direct investment and information are gradually shifting the focus of energy and growth in the world economy towards the developing world.

The G7 must embrace this change. It must make clear to developed country electorates that a vibrant and growing developing world is good for richer countries too. Trade is not a zero sum game from which high-wage developed countries inevitably lose. Open and growing economies in eastern Europe, China or Mexico are as much a source of new markets and prosperity for workers in Europe and America as sources of cheaper goods. That is why the G7 must ensure that the December deadline for a Uruguay Round trade agreement is met and that trade barriers continue to fall.

Of course, there will be a minority of losers: unskilled workers, whose relative wages will inevitably fall as developing countries grow and labour-saving technological change continues to develop. G7 governments must find ways now to help upgrade the skills of the poorly educated. Meanwhile, they must use growth-friendly policies to cut unemployment and thus combat short-term pressures for creeping protectionism.

In short, the G7 needs to replace the Sinatra "my way" doctrine. Its primary task is to find collective ways to tackle the medium-term structural and policy challenges that a growing and more egalitarian world economy throw up. In the words of the Johnny Mercer song, sung by Ring Crosby at the end of the second world war, the G7's gotta:

*Accentuate the positive,  
Eliminate the negative,  
Latch on to the affirmative,  
Don't mess with mister in-between.  
So roll over "ol' blue eyes".* The Crosby doctrine's time has come.

**H**andsome, bluff and straight, grey-haired but young for a politician, acting President Alexander Rutskoi played his part well. Late Thursday night in the Russian parliament, he took the podium and struck the right note, patriotic but not rabid: "This is not an assault on the deputies and the parliament. It is an assault on the citizens of Russia, on their children and grandchildren. Each of you stand before a choice - to defend, or not to defend, your rights, your statehood, your future."

But he spoke to one of the smaller audiences of his political life. Before him sprawled little more than half the full complement of the Congress of People's Deputies. Inside the White House, a few television monitors gave a fixed, fuzzy picture of the parliamentary chairman on the podium, with the acting president on the rostrum, speaking into a void. No TV or radio channel broadcast his words (a sign of the still supine nature of the Russian media); his aides and colleagues had to scrounge time on reporters' mobile telephones to make calls, because the phones are shut off.

A number of leading centrist deputies - such as Mr Yevgeny Ambarsumov, head of the foreign affairs committee, and Mr Viktor Stepanin, former head of the security committee - had resigned their mandate rather than, when push finally came to shove, stand with parliament: two have already been rewarded with ministerial jobs. Many more simply did not come to Moscow, their enthusiasm for defending the present constitutional order deflated by having to pay their own air fares once their free travel privileges had been stripped from them.

That which, in a settled democratic country, would have been an outrage is here accepted by the majority as a welcome end to an empty confrontation, a natural response by the presidential power in the Kremlin to provocation. Even the deputies seemed so little possessed of a sense of themselves as a critical element in a civil society that they could neither invest the situation with great meaning nor make - so far - sensible strategic decisions on reversing their own descent into nullity.

Mr Boris Yeltsin, the real president in possession of the Kremlin, has clearly won this week's first round. Buttressed by the military, the interior and the security forces, assured of the allegiance of the central bank and the procurator general (the state prosecutor), his government actively supportive and busy with orders, plans and initiatives, he could leave the parliamentarians to stew while, yesterday, he conferred with his fellow Commonwealth heads of state on how best to bring their economies into line. The sudden deference to him is almost stifling: in a revival of pre-Gorbachevian Soviet practice, Moscow Spartak, current premier football league leaders, released a statement expressing their support for and trust in their president.

Mr Yeltsin acted as he did for reasons which are still opaque. What is clear is that the basic dilemma he faced - the inability to bring in a new constitutional and parliamentary order without ripping through the old one - had been long discussed, and the declaration of presidential rule freshened as long ago as March, in a TV speech. More recently, he has been under strong pressure from the US and other Group of Seven leading industrial countries, together with

Yeltsin has won the first round in his struggle, but can he hold Russia together, ask John Lloyd and Leyla Boulton

## Iron fist and an iron glove

the International Monetary Fund and the World Bank, to put order in the country's finances. Some senior western officials believe this pressure has been crucial in assisting him to make up his mind to act decisively.

Finally, he is a man of emotion and impulse. In speeches last weekend, both Mr Rutskoi and Mr Ruslan Khasbulatov, the parliamentary speaker, launched tirades of abuse at Mr Yeltsin - the latter going so far as to call him a drunkard. According to two separate presidential advisers, this was crucial in tipping the scale as to when to act - even as many of these advisers, including Mr Yegor Gaidar whom he last week reinstated as first deputy prime minister, pleaded with him to delay.

Thus he promulgated his fateful decree "on step-by-step constitutional reform in the Russian Federation". The central concept in this, as in his address to the people on Tuesday night, was that formal constitutional bars could no longer be allowed to inhibit the rapid creation of the mechanisms of a new state and economic order. To give this decree coherence, Mr Yeltsin had to represent the parliament as the single, malevolent hurdle to the country's progress. Aided by the media and a largely supportive, or unconcerned, populace, he has achieved this aim.

He is now in the position of many of his predecessors who led Russia, both tsars and commissars, who claimed and genuinely thought, perhaps, that their enlightened or patriotic action in suppressing internal dissent set the stage for a healthy development of society. They then found themselves in a position where fear of a resumption of dissent, coupled with the discovery that authoritarian government is simpler than the democratic kind, led them to justify their continuing tyranny as the only antidote to chaos.

"Yeltsin is appealing to Russians' fear of an interregnum without clear leadership," said Dr Jana Hewlett, a lecturer in Russian history at Cambridge University. "For them the most terrible times have been associated with internal dissent rather than external attack."

Mr Yeltsin's special claim is that he will use his temporarily untrammelled authority to break, not confirm, the vicious cycle of Russian history: that he will, finally, use state power to break the state of ever again having too much power. If he has round his neck the oppressive weight of the Russian past, he has at least the pacific example of his predecessor, Mr Mikhail Gorbachev, who gave up power with an ill grace but clean hands, and the pressure of foreign states whose open purses he still needs. He also has his own instincts, which to date have usually pushed him in a liberal direction.



Yeltsin, the real president in possession of the Kremlin, has prevailed

Indeed, those closest to him worry more that he is too soft than that he will be too hard. Mr Victor Smorgunov, one of the president's advisers on regional policy, said this week that "with the president it can be less of the iron fist in the velvet glove than the velvet fist in the iron glove".

The president has before him a range of daunting barriers. The best he can hope for, or that his country can hope for from him, is that he will prevail in part, or at least not retreat. Nothing he has done this week has helped the economy - indeed, the one stable part of it, the rouble-dollar rate, has slipped, and the rouble is falling heavily once more. The signing of an economic union treaty yesterday with most of

the leaders of the Commonwealth of Independent States is likely to put further strain on Russia's budget - if it works. He has wars on and inside his frontiers, terrible collapse in health and other vital services, an unparalleled rise of violent crime in his cities and a continuing fall in the output of oil, his one sure earner of hard currency. Yet his greatest task is elsewhere.

It is keeping the Russian Federation together. Mr Grigory Yavlinsky, the first-declared of the serious candidates who will challenge him for the presidency if elections are held next June, said yesterday: "Yeltsin is in something of the same position as Gorbachev was in 1991. He has the same problem - to stop the disintegration of the country."

That disintegration is a reality, it is going on."

Republics and regions, having been given some autonomy from Moscow, have taken even more as they have sensed the centre's weakness. The "diamond state" of Yakutia (re-named Sakha) has simply withheld taxes, in neighbouring Irkutsk region, although the politicians have stepped back from that extreme, they voice the same resentment. "Moscow can no longer decide everything from so far away," says Mr Victor Ignatenko, head of the region's parliament.

This "freedom" does not mean greater economic freedom. In practice, the local administrative and political classes seek to recreate a socialist state in miniature - with ministries controlling various sectors and investment coming from state, not private, funding.

Thus the reformists in the federal cabinet find themselves thwarted as soon as their decrees leave their desks - by officials and politicians who find them a threat and who are no longer sufficiently frightened by Moscow's power to carry out its orders. The regions, ranked lower in the constitutional pecking order than the autonomous republics in Mr Yeltsin's proposed constitution, are demanding equality of treatment: the republics want to preserve their privileges; both want to keep their resources, and continue to receive subsidies. "Can we allow this inequality?" asks Mr Ivan Zelenin, deputy chairman of the Irkutsk regional council. "If we say the republics are sovereign, then we need to divide everything up - army, budget, citizenship rights. Our country must be fully federal and not just in words, as now."

**T**he worst scenario - which Mr Yavlinsky evokes - is of a disintegration so extreme that a kind of industrial feudalism overtakes Russia - with regional army commanders allying with politicians and business or criminal circles to declare full sovereignty, to set themselves up as "national governments" and to begin the systematic plunder of whatever riches the region/state offers. Something of the kind has already happened in Chechnya, in the Russian North Caucasus; while republics like Tatarstan, Bashkiriya, Yakutia and others, along with regions which are now declaring themselves as republics to enjoy greater benefits, are now far down the path of self-rule - too far for rational coexistence within a federal state.

It is this process, above all else, to which Mr Yeltsin must put a stop. It will entail manoeuvres of a Machiavellian (and economically irrational) kind, coupled with the use of both the iron fist and the iron glove, and the promotion of Russia as once again a state within which the regions and republics could feel valued.

He has volunteered to carry the burden, saying he will again stand for the presidency even though it is, as he put it yesterday, "inconvenient". Yet it is not at all obvious that he is the man for the job ahead. He has taken further the great work started by Mr Gorbachev of destroying the communist system. The latter carelessly lost the Communist party, the system's political base, and Mr Yeltsin has largely torn the heart out of its economic mechanism, the central command economy and the parliament linked to it. But to create a different order may be, for this very considerable man, to reach beyond his grasp.

## MAN IN THE NEWS: Sir Leon Brittan

### Fearless skater on thin ice

**W**edged inside the steamy, overcrowded lift, Sir Leon Brittan clutched his briefing papers and cast his eyes around for a friendly face. The word "victory" never passed his lips; but even at 3am in the morning he was still savouring his confrontation with Mr Alain Juppé, the French foreign minister and designated hard man in the Gatt talks.

After more than 12 hours of discussions in Brussels, Sir Leon could plausibly claim that he had resisted French efforts to force a renegotiation of the EC-US Blair House accord limiting farm export subsidies, thus keeping alive hopes of reaching a Uruguay Round agreement by the end of the year.

Sir Leon's clash with Mr Juppé during last Monday's EC "jumbo" foreign, farm and trade ministers council will go down as a classic confrontation between two men with matching egos, intellect and ambition. But the price of facing down the French government could be a further weakening of Paris's confidence in the Commission as an impartial negotiator with the US, increasing the threat of a French veto of a future Gatt deal.

"He was good," says one senior German official, "but maybe he was too good."

Criticism that Sir Leon may be too clever for his own good has dogged his political career. Memories of his involvement, seven years ago, in a clumsy campaign to discredit Mr Michael Heseltine, then UK defence secretary, have faded; but few will forget the verdict of a fellow Conservative MP at the time: "Too many brains, not enough common sense."

Sir Leon has learnt a trick or two since he arrived in Brussels in 1989

to take up the post of senior UK commissioner responsible for EC competition policy. His willingness to work hard and learn languages (he speaks German and French fluently) won him many admirers. Never shy of publicity, he revelled in his reputation as a fearless and eminently quotable "trust-buster".

His new job as the EC's chief trade negotiator, which he took up last January, is more challenging. Few could have mastered the Gatt dossier so quickly, but doubts linger about his political judgment or, more accurately, his political touch.

Sir Leon's relationship with Mr Mickey Kantor, US trade representative, has improved after a rocky start. "In the beginning, Mickey wanted to look dangerous, to show he was not afraid of breaking some furniture," says a US lawyer who knows both men. "Now they have come to respect each other and they share a common goal of getting a Gatt deal."

On Monday, this willingness to compromise will be put to the test. Sir Leon arrives in Washington saddled with a list of French-led demands for "clarifying" or "reinterpreting" Blair House. Technically, these demands do not amount to a formal renegotiation; but Sir Leon knows he risks provoking a further crisis within the EC if he comes back empty-handed.

During the all-night "jumbo" council in Brussels, Sir Leon urged ministers not to make public demands which could harden attitudes in Washington. In fact, he disclosed that he had already presented certain requests for modifying Blair House in an earlier private meeting with Mr Kantor. Concerns that ministers would tie his hands as a negotiator prompted his devastating intervention against



a Franco-German compromise text, a move that provoked Mr Juppé to remind Sir Leon that, as commissioner, he was merely a servant of the assembled ministers.

Sir Leon is now skating on thin ice. The question remains why he failed to respond to the hardening French attitude on Gatt in late August/early September, relying instead on Germany to act as mediator. Some believe that his inertia (which matched the passive UK government response) was born of a stubborn refusal to accept any part of the French government's case.

Sir Leon's belief in the power of rational argument is unshakable. He has little sympathy for the emotionally tinged arguments in favour of preserving French farming. "Leon is an intellectual democrat. He will always listen to another point of view," explains a former colleague. "But if he thinks he is right, then he expects you to give in."

The tendency toward self-right-

eousness has led to skirmishes with Commission colleagues and the occasional bloody retreat. Earlier this year, Sir Leon pressed his colleagues to accept a trade liberalisation package with the former communist countries of eastern Europe, only to find himself isolated. Subsequently, he forged an alliance with his rival - Mr Hans van den Broek, the former Dutch foreign minister and now commissioner for external political affairs - and the two carried the day.

A close Commission colleague describes Sir Leon as a brilliant negotiator who suffers from being a loner. Too often, he misses the chance to win friends by letting others take the credit for political successes. "He lacks *Fingerspitzengefühl* [political touch]."

Mr Jacques Delors, president of the European Commission, is similarly ambivalent. He shares Sir Leon's antipathy for hard work, and admires his intellect. But Mr Delors has also been heard to grumble that Sir Leon is not very good at returning political favours, or as he puts it in French: "Il ne rend jamais l'ascenseur."

In the same spirit, Sir Leon would argue that he is very good at pressing the right European buttons. As he showed in yesterday's speech on European monetary union, he has broken with UK government policy. He does not share Mr John Major's scepticism toward *Emu*, nor is he openly hostile to the idea of further political integration. On Europe, he remains as close as ever to his former political mentor, Lord Howe.

There is a wider game plan. However remote a prospect, Sir Leon believes in his chances of succeeding Mr Delors as president of the Commission. He is preparing a book on Europe, and he is vigorously cultivating German support. A Gatt agreement would be a crowning achievement, not just for his own reputation but also for his candidacy for the top job in Brussels.

Lionel Barber

## One Feature 5000 Facts

It is the facts and figures that feature in our blockbuster Personal Pensions survey in October which make the survey unique. Containing over 5,000 figures, it is the only survey to provide illustrations for every single personal pension plan on the market.

We give you the results and charges of each personal pension plan and highlight the best performers in every category.

This survey is the most detailed and comprehensive of its kind making Money

Management the acknowledged market leader on the subject of personal pensions.

For over 30 years Money Management has been THE vital guide to current information and opinion. This survey is a must for anyone who is advising and selling personal pensions.

So don't miss out. Reserve your October copy of Money Management today and have all the facts at your fingertips. £3.95 from all leading newsagents.





# A priest in turbulent times

William Dawkins and Robert Thomson on the Japanese leader's first 50 days in office

**M**r Morihiro Hosokawa has taken the priestly approach to prime ministership. At public gatherings, he stands with hands clasped before him, head slightly bowed, and delivers small sermons to his flock on the virtues of good government, the vices of regulation, and the need to confront Japan's wartime guilt.

His style is in striking contrast to his sometimes arrogant predecessors at the Liberal Democratic party, thrown out of office in a July election at which the public showed its desire for change from the party's habitual corruption and back-room intrigues.

But altering Japan's political structure requires more than a congenial personality. The big question after Mr Hosokawa's first 50 days in office is whether he can change the electoral system and weed out corruption in government before the seven-party coalition collapses under the weight of personal and policy differences. Could this priest end up a martyr?

The coalition has already put together a small but honourable list of achievements. Mr Hosokawa has introduced a ¥6,150bn (€380bn) package to stimulate the economy, agreed on the framework of electoral reform, begun snipping away at regulations restraining economic freedom, and avoided the chaos predicted by some political observers.

Mr Hosokawa will go to the US on an official visit today knowing that about 70 per cent of Japanese, according to opinion polls, apparently like his style, if not his substance.

stance. President Bill Clinton, whom he will meet on Monday, might feel a touch envious that another provincial governor elevated to the national leadership has had such early success in office. Mr Hosokawa will explain to his US counterpart the thinking behind his economic measures, which came partly in response to US pressure on Japan to curb its record current account surplus.

But the high domestic approval rating of Mr Hosokawa is as much a measure of expectations as of achievements. The prime minister conceded the point in parliament this week: "I am well aware that the real time of testing starts now."

In his short time in office Mr Hosokawa has made surprising progress but he still has much to do. The coalition has shifted economic debate towards consumers and away from the traditional focus of the producer. But it has yet to deliver the policy changes that would put the consumer permanently at the centre. And Mr Hosokawa's deregulation drive is run by bureaucrats who have, so far, conceded mainly superficial reductions in their power.

Critics suggest that Mr Hosokawa is charming but indecisive. "I don't know who is making the decisions, but I know that it is not Mr Hosokawa," says Ms Makiko Tanaka,



Japan's prime minister Morihiro Hosokawa and Ichiro Ozawa, the power-broker behind the scenes at the JRP

daughter of former LDP prime minister Kakuei Tanaka and newly elected to parliament herself.

Unstated in her observation was the suggestion that Mr Hosokawa is the pawn of a more powerful player: Mr Ichiro Ozawa, the former power-broker behind the scenes at the LDP. Mr Ozawa is now performing a similar role at the Japan Renewal party, a coalition partner run by the

LDP defectors who brought down the government of Mr Hosokawa's predecessor, Mr Kiichi Miyazawa.

Mr Ozawa manoeuvred Mr Hosokawa into the prime minister's job by negotiating a deal with the disparate coalition parties. The popular wisdom is that Mr Ozawa needs time for the public to forget his associations with politicians facing corruption charges. According to

this view, when Mr Ozawa feels the time is right he is likely to make a bid for the prime ministership. In the meantime he is happy to let Mr Hosokawa's fine reputation hang on the fate of a fractions coalition.

It is a sign of Mr Hosokawa's early success that Mr Ozawa and his associates at the JRP are edgy. Many JRP members hope that Mr Hosokawa's team will only be an

interim administration to prepare the way for a JRP-led government. One JRP leader said economic or foreign affairs matters should not "distract" him from political reform: "I don't think we have the time to deal with other issues."

But Japan's unexpectedly deep economic downturn has obliged Mr Hosokawa to devote much time to "other issues". The economy appears to have moved officially into "recession" this quarter, the second consecutive period of decline in gross national product.

The government also faces challenges on several other fronts:

- Income tax. It is under growing pressure to cut rates from business leaders, concerned that falling consumer confidence is undermining growth. But the government cannot deliver because the JRP and the Socialists are divided on how to finance the income tax reduction.
- Deregulation. A reduction in costly burdens on business will assist long-term economic growth, and Mr Hosokawa is planning to launch a more radical deregulation drive than the 94 measures announced in recent weeks. But bureaucrats are, not surprisingly, unwilling to deregulate away their own considerable powers.
- Political reform. Mr Hosokawa has been obliged to scale back plans for a ban on corporate donations to

political parties. But the procession of contractors and provincial politicians through the Tokyo Detention Centre is a reminder of the need for action. Mr Teruzo Yoshino, chairman of Shimizu, the country's largest contractor, was arrested this week for allegedly attempting to bribe a prefectural governor.

- Foreign policy. Mr Hosokawa has apologised for Japan's wartime brutality, but there is the unresolved question of whether Japan wants permanent membership of the UN Security Council. Several coalition partners believe a permanent seat is a necessary part of Japan's growing international role, though the Socialists fear a re-emergence of militaristic sentiment.
- If the Socialists or the JRP withdraw support over this or another of the divisive issues, the coalition will collapse. But both parties would risk rejection at the next general election if they could not convince voters that their withdrawal of support from a popular administration was justified.

Mr Hosokawa has earned such popularity by keeping his promise to introduce a more open style of government. He may not be able to answer tough questions. But he has not resorted to the purposefully confusing double and triple negatives favoured by his predecessors in their more radical structure.

The longer Mr Hosokawa tries to keep the answers straight, the more difficult it will be for his successor, LDP or not, to revert to the old, obtuse ways. For now, the priestly prime minister has convinced much of his congregation that there is life after the LDP.

**E**leven years ago Mr Geoff Brown, a computer programmer turned rock musician, spent £200 on computer games from the US which he started selling in his home city of Birmingham.

Next month CentreGold, the company he created, will be floated on the stock market and is expected to be valued at between £50m and £60m. By selling some of his shares - he refuses to disclose how many - Mr Brown will become a multi-millionaire with more than £1m in cash. He will own at least 30 per cent of the company.

CentreGold, which distributes and publishes computer and video games, is not the only fast-growing UK company planning to take advantage of the buoyancy of the stock market to raise finance for expansion. In the eight months to the end of August, 95 companies were floated - compared with 82 in the whole 1992, the lowest level since 1985. Another 40-50 companies have announced they intend to go public before the end of this year.

The flurry of activity is some way from equalling the heyday of the late 1980s, when a rapidly growing economy fuelled investors' appetites for untested but potentially lucrative new stocks.

There is now a more sober, post-recession mood among financial institutions: there are questions about the risks involved in investing in companies whose future is at least as uncertain as that of their pre-recession competitors. Some, such as CentreGold, are the first in their business sector to float, leaving investors with no comparable measure of their likely future performance. Mr David Nolder, corporate financier with stockbroker Smith New Court, says: "I think you need a particularly convincing story to take to the institutions these days."

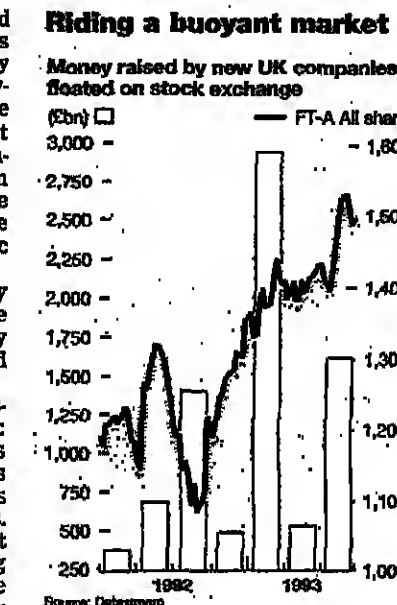
Mirroring the City's scepticism, there is also a more sober style among the entrepreneurs themselves. Rather than the high profiles adopted by some in the 1980s - epitomised, perhaps, by Sir Terence Conran, who founded the retail Storehouse group - the new generation of self-made businessmen deliberately avoids any hint of excess or flamboyance.

"I do not have nor do I intend to have a yacht in the Mediterranean," says Mr Michael Peagram, this week voted Venture of the Year, and head of Holiday Chemical Holdings, the chemicals group floated in March. He paid just £50,000 for a 25 per cent stake in 1985, and today his 20 per cent holding is worth £37m. "The biggest change that it gives me is a position of influence to share my beliefs about business management."

Mr John Houlahan, head of the small companies research team at the stock brokers Hoare Govett, says recession means entrepreneurs are more pragmatic by character. "I don't think you will find many with charisma. They have had to be boring managers coping with adversity. And when the chips are down, charisma does not actually

## Peggy Hollinger on the new, less charismatic breed of UK entrepreneur

### Flash Harrys in sober suits



get you very far."

Mr Brown is among the more extravagant of the new entrepreneurs. He likes fast cars, music and designer clothes. But he is hardly an extrovert. His small office is in a Birmingham industrial estate; the only luxury is a stereo system. He is relaxed about his millionaire status and says it will make no difference to his life. Most of his wealth will be in shares; the cash will be his cushion against possible hard times in the future - "drop dead money", Mr Brown calls it.

The highest change, he says, came much earlier in his career, once it was clear that his passion for computers was turning into a lucrative business. "Within three years from the start I was able to afford a better house and a nice car," he says. Today, Mr Brown drives a Jaguar for work and a Mercedes sports car for fun. What about the Ferraris and Porsches he used to drive in the early days of new-found wealth? "Oh, they are all gone," he says. "All those toy cars have gone."

The son of a Birmingham scaffolder, Mr Brown says his biggest indulgence have been a seven-bedroom Victorian country house and a Yamaha grand piano, both bought last year. He says his wife, who also owns her own busi-



Geoff Brown: striking it rich

ness, has furnished their home with antiques. Wealth has, perhaps, brought a greater appreciation of quality: "I used to think antiques were second-hand furniture," he says.

After travelling extensively as a professional keyboard player for 10 years in the 1970s, he says he is not interested in living flamboyantly: "I have done my sex, drugs, and rock and roll."

Another stock market entrant, Mr David Jones, a Welsh miner's son who founded Sharelink, the telephone-based stockbroker which was floated in the summer, says the first draw on his new-found wealth will be ensuring financial security for his family.

He has cashed in shares worth £1.8m to pay for a new house and to set up trusts for the education of his three young children. He drives a Volvo estate and a Porsche, "which I had a long time before I had any money". Nevertheless, Mr Jones still owns 14 per cent of Sharelink, worth £7.7m.

He is not alone among entrepreneurs in refraining from taking profits when their companies come to the market. Mr David Lloyd, the tennis player who founded the sports and leisure group named after him, and Dr Chai Patel, a medical doctor turned financier, who started the nursing home company Court Cavendish, both bought more shares on flotation. "I have a better

living because I am paid a higher salary," says Mr Lloyd, who holds 10 per cent of David Lloyd Leisure worth about £10.4m. "But I haven't realised any cash."

Dr Patel, whose 3 per cent stake in Court Cavendish is valued at £1.3m, intends to devote part of his dividend earnings to a charity he is founding called Mustard Seed. It will support healthcare and training issues in the UK and abroad.

Mr Trevor Smallwood, chairman of Badgerline, the west country bus company which plans a share flotation in November, says: "The reason for coming to the market is the development of the company, not my bank account." His original £30,000 stake, bought in 1986, is expected to be worth about £1m after flotation, but he intends to keep his Ford Granada car and the three-bedroom country cottage which he, his wife and three-year-old son bought four years ago. "That is probably the only change that we have had, or will have," he says.

Mr Graham Wilson, a farmer's son and accountant, borrowed at least £100,000 in 1989 and arranged other financial backing to buy Parkleam Leisure for £7m in 1989 from construction group Beazer. Parkleam, which owns seven caravan and chalet holiday parks in Scotland and East Anglia, is likely to be valued at about £15m when it comes to the market in October. After flotation, Mr Wilson expects to wipe out his debt, take a little cash, and hold a 4 per cent stake in the enlarged company.

I will be comfortably off financially," he says, but his first indulgence will be modest - a lifelong season ticket to Newcastle United football club. He intends to continue driving his second-hand company car, but may spend the "odd weekend" playing golf, staying at the luxury Glenaeles hotel in Scotland. "I have also become partial to Jaeger suits," he admits. Nevertheless, "the biggest thing has been having that cloud of debt lifted."

His image of relative thrift, and that of his counterparts, is probably shrewd in the 1990s as Britain starts to emerge from a recession which forced thousands of small businesses into receivership. Says financial institutions are looking at the long-term stability of companies. "Investors are now more and more sober than they used to be," he says.

On the other hand, the tougher environment means companies approaching flotation are already well tested. "Any-one who came through the recession of 1980-82 had to be made of fairly stern stuff," Mr Houlahan says.

He does not believe, however, that the flamboyant entrepreneur - whose success depends on high economic growth - is dead. "They never die, they just go into hibernation. When the climate gets overheated again, they'll be back."

## Another long march to the next hurdle

Tony Walker on China's dashed Olympic hopes

**M**r Chen Xitong, head of China's Olympic Bid Committee, sought to put the best face on what must have proved a crushing disappointment for Chinese officials.

In the end, China's hopes were dashed not, one suspects, so much because the International Olympic Committee delegates had reservations about the technical aspects of Beijing's bid, but because a sufficient number were concerned about its human rights record.

Speaking by satellite television to a subdued nation, Mr Chen, a politburo member, congratulated Sydney, and said the close result showed that China had commanded considerable support. "It was a remarkable achievement, which underscored the success of our open door policy and programme of reform," he said. He felt "calm", and reminded people that he had always said there were two possibilities: Beijing would either win, or it would lose.

The latter, almost inconceivable, result had tended in the last days before votes were tallied, since Beijing had become a hot favourite, and Sydney's price had lengthened. China appeared to have convinced itself that victory was a formality, hence the shocked reactions in Beijing and other Chinese cities when Sydney's name was called.

The question is what effect the setback, and more to the point, loss of face, will have on a government which had invested so much in winning the nomination for reasons of politics and national pride.

An early indication of fallout from the bruising experience suffered by Chinese IOC delegates, many of them Communist party officials unused to the free-for-all of a democratic ballot in which the result cannot be preordained, may come as early as next Friday in New York. Then China's foreign minister Qian Qichen is due to meet Douglas Hurd, UK foreign secretary, to

discuss Hong Kong.

The encounter may well be icy, since Beijing is certain to be highly displeased with Mr Hurd's strong intervention on the eve of the Olympic ballot in which he declared that China's human rights record should disqualify it from being awarded the Games. The fact that Mr Hurd made his remarks in Sydney will have sharpened China's displeasure.

Raising the stakes ahead of the Hurd-Qian meeting was the publication yesterday on the front of a pro-Beijing Hong Kong daily of 11-year-old remarks by senior leader Deng Xiaoping in which he warned that China could take over Hong Kong before 1997 if "serious disturbances" arose.

At best, it would seem likely that difficult moments lie ahead in Sino-British relations as pressures increase for a resolution of the vexed argument

**'We unflinchingly face the world', said the headline in the People's Daily newspaper**

over proposals by Hong Kong governor Chris Patten for greater democracy ahead of the lead-up to the 1997 handover.

But it seems unlikely that Chinese officials, even in the depths of their disappointment, would want to risk the accusation that they have been bad losers. Indeed, in their initial public statements they sought to put the issue behind them, and to look forward. These officials must know, however, that human rights questions will continue to dog China when it seeks to play a role on a global stage.

A crackdown on dissent in the next few weeks would convey an extremely negative signal internationally, and would expose China to the charge that its apparent softening on human rights issues - it released several high-profile dissidents on the eve of the Monte Carlo vote - was

merely a cynical exercise in window-dressing.

If nothing else, the loss to Sydney poses a substantial challenge to China's propaganda machine, which faces the task of explaining what this occasion, after barely commenting on the possibility of failure, The People's Daily, the Communist party newspaper, noted yesterday that this was the third Australian bid in recent years, and so China should not feel despondent. "In the old society, China was a sick man," it declared, "but not any more."

The headline over the editorial also struck a note of defiance which was revealing perhaps of a feeling in Beijing that much of the rest of the world, and the west in particular, had ganged up against its Olympic bid. "We unflinchingly face the world," it read over a commentary vowing that China would not give up its goals of reform.

There seems little doubt that Beijing will bid again in 2004 and, barring disasters of Tiananmen-like proportions, it will be difficult for IOC delegates to deny China's wishes a second time. What is certain is that if it does try again, its campaign will be even more awesome than its efforts on this occasion. "We unflinchingly face the world," it read over a commentary vowing that China would not give up its goals of reform.

## Staff are bearing cost of higher education changes

From Mr David Trieman.

Several features of the chancellor's statement on pay in the public sector are worthy of further exploration ("Unions warn of 'chaos' over public pay stance", September 15).

First, we have argued that a specific element of additional direct taxation should be spent on higher education. The Treasury has always replied that it is opposed in principle to hypothecated taxes. The chancellor has now decided to introduce what is a bizarre form of hypothecated taxation applied to higher education staff. Their employers have received increased income because of growth in student numbers and despite "efficiency savings". They are being told not to spend any of this money on staff pay increases and I can only assume that it will be spent on current or future provision in each institution.

In short, the staff have been taxed specifically to provide for any changes in provision in their place of work as an alternative to doing so through general taxation. And so it will

be for nurses, doctors and health ancillary staff. They will be "taxed" to provide for change in their places of work.

Second, the chancellor has drawn attention to payment in return for productivity. While that is not easily measured in some areas of public provision, I can report that in six years the number of higher education students has grown by 50 per cent, the number of staff by only 10 per cent, and the decrease in the unit of resource is 20 per cent. The FT might find it interesting to identify a single area of British industry which competes with this success story. I suspect, unworthy though the thought may be, that we will not be offered a pay settlement which reflects these productivity accomplishments. Some reason for denying the chancellor's proposition will be pleaded in aid and he will do the pleading.

David Trieman, General Secretary, Association of University Teachers, 1 Penbridge Road, London W11 3JY

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL  
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

### Complexities threaten pension schemes

From Mr Howard Gracey.

Sir, I write in response to the article "Minimum pension may be scrapped" (September 18/19).

The removal of the existing impossibly complex Guaranteed Minimum Pension requirements is essential for the future of contracting out. It must be viewed, however, in the context of an equally necessary overall objective - the simplification of the present spider's web of pensions conditions as a precursor to increased security. Existing Inland Revenue and Department of Social Security

requirements have produced a degree of frustration and despair among scheme administrators and employers that must be virtually unparalleled.

Indeed, in a survey we conducted among finance directors of some 300 UK companies, one in three said any additional complicating legislation, with resultant increased costs, would cause them to consider scaling down or winding up existing company schemes.

In our view, true simplification is attainable only by examining the purpose of each set of requirements, ensuring

that it is really valid and then, if so, devising an alternative way of achieving the same goal. Our recommendations to the DSS and Goode Committee have stressed the need for simplification involving a complete redesign of the current Heath Robinson structure.

The private sector will only be able to fill the pensions gap, left by the inevitable rolling back of state provision, when radical simplification has taken place. This must have as its cornerstone the integration of DSS and Inland Revenue requirements. There is a

strong case for a co-ordinated ministerial approach to pensions policy, for departmental co-ordination in giving that policy statutory effect, and for a single regulator covering all pension matters other than investment management. Without such co-ordination, problems arising from conflicting objectives within government will always remain.

Howard Gracey, senior partner, R Watson & Sons, consulting actuaries, Watson House, London Road, Reigate, Surrey RH3 9PQ

### Market regime may be possible, but not necessarily preferable

From Mr Walter Grey.

Sir, A single market, let alone a common market or a free trade area, can indeed, as Sir Alan Walters claimed (Letters, September 22), get by without the stable ("pegged")

exchange rates, let alone the single currency, he so abhors. But is the one, given convergence on a stability-oriented regime, better off without than with the other?

Would the existing US single

market, for example, benefit from each of the US federal states sporting a separate currency of its own, and multiple (internal as well as external) exchange rates, in place of the single ("almighty") dollar? Pos-

sible, of course, "like a dog's walking on his hinder legs". But preferable? Walter Grey, 12 Arden Road, Finchley, London N3 3AN

## UK small business needs industrial banking sector

From Mr Peter Crowe.

Sir, At last the Bank of England is taking some action to support small business in the UK ("Bank governor calls in 'clearers'", September 21).

The British financial system will impede the recovery from recession, as it has impeded the development of the British economy for decades. When five to seven years is regarded as long-term by the venture capitalists, who must have their exit route in place on day one of their investment, and who demand rates of return two or three times higher than those in Germany or Japan, how can any company organise itself for long-term structured growth and development in market share? The simple answer is, it can't. Instead it has to concentrate on avoiding risk, short-term cost minimisation (equals lack of investment) and production of "satisfactory" results. We should be asking ourselves who these results are satisfying.

The banks and investment institutions are not just providers of funds; they actively influence the investment decisions and priorities of business people by their short-term performance criteria, their demands for personal assets as collateral, their preference for the fast-buck sectors rather than the lower-performing manufacturing sectors, in terms of return and their investment decisions and allocations being determined by quarterly reports.

In short, we need an industrial banking sector - a bank for business, creating solutions and opportunities, not liquidations and bankruptcies. Unless our financial institutions can become partners in the quest for jobs, expansion and economic prosperity, any "recovery" will be superficial and transitory, with the real decline of UK plc in the world marketplace continuing remorselessly.

Peter Crowe, chief executive, Chamber of Commerce, Commerce House, Exchange Square, Middlesbrough, Cleveland TS1 1DW



## COMPANY NEWS: UK

# Thorn chairman answers Rent-A-Center critics

By Michael Skapinker, Leisure Industries Correspondent

WHEN SIR Colin Southgate, chairman of Thorn EMI, got out of his New York hotel bed at 6 am last Wednesday morning, he noticed that a fax from his London office had been slipped under the door.

It was a copy of an article from that day's Wall Street Journal, alleging that employees of Thorn's Rent-A-Center business in the US had used guns, gangs of Hell's Angels and other unorthodox methods to deal with customers who had fallen behind on rental payments.

It ruffled Sir Colin's day. Yesterday, back in London after several days of previously-arranged US meetings, Sir Colin launched an emotional defence of Rent-A-Center, which rents out anything from televisions to neckties.

"I don't recognise our business from this article," he said.

"I'm sure that out of 7,000 people we employ we're bound to have a few who don't work to the standards we expect."

But Rent-A-Center customers, he added, "get treated like kings and queens. These people get treated normally in 99,999 cases out of 100,000."

The City was concerned enough to mark Thorn's shares down on three successive days.

Yesterday they closed at 922p, down 66p on their Wednesday morning opening.

Foremost in the minds of London analysts was the fear that the article would result in US federal legislation limiting the profits of the rental subsidiary.

But there was also a mood of distaste for what Rent-A-Center was alleged to have done.

An internal note on Thorn circulated at one London stockbroker yesterday noted in shocked tones that the article had claimed that "Rent-A-Center employees have taken sexual favours in lieu of cash."

Sir Colin said Rent-A-Center management were investigating every allegation in the article. If he was dissatisfied with the outcome, Thorn would send in its own investigators. But he could already say that the Hell's Angels allegation was "nonsense," so was the story about the guns.

The article had been based on the word of former employees who had been dismissed by the company. Many of those named, he alleged, had taken jobs elsewhere in the rental business. The idea that their consciences had provoked them to speak out was "balderdash."

It was unfair to say Rent-A-Center made excessive profits, Sir Colin said. The article was wrong in saying the business had a 23 per cent operating

margin in 1992-93, he said. This failed to take into account central marketing and other overhead costs. The true margin was about 12 per cent.

Sir Colin did not deny that 25 per cent of Rent-A-Center customers continued their payments until they gained ownership of goods and ended up paying far more than if they had bought them outright at the start.

The average rental item passed through 2.2 hands, he said. This meant there were times when the goods were in Rent-A-Center shops earning nothing. The business was also renting to people with no credit rating and was entitled to some financial compensation for taking on that risk. No one else was prepared to extend credit to the typical Rent-A-Center customer, he said.

He strongly doubted there would be federal legislation defining rent-to-own as a credit transaction. This could lead to limits on the interest Rent-A-Center could charge.

If, as Sir Colin alleged, the article contained false allegations, would Thorn be suing the Wall Street Journal for defamation, either in the UK or the US? "No," he said. "We can't believe there's any point in a UK company chasing a US paper like the Wall Street Journal."

See Lex

## Willis Corroon to float off US assets

By Richard Gourlay

WILLIS CORROON, one of the UK's leading insurance companies, has announced its intention to float off most of its US underwriting operations, in a move that would effectively complete the concentration on broking operations begun in 1991.

The flotation of about 56 per cent of Gryphon, the holding company for Associated International Insurance and Calvert Insurance, might raise between £25m and £40m, according to analysts.

Mr John Robins, finance director, said the flotation would allow the group to focus on broking, consultancy and risk management. "Underwriting is not where we want to add extra capital," he said.

Calvert and Associated, with net assets at the year-end of \$71m (£46m) would be relatively small in US insurance market terms. The companies write speciality commercial and casualty insurance, particularly for small to medium-sized clients.

Analysts said the sale would be unlikely to raise substantially more than book value, and would not greatly strengthen the balance sheet. It would, however, improve group liquidity.

Last month Willis Corroon

halved its dividend following a decision to improve its cash position. It continues to make losses on liabilities incurred by Sovereign, the UK underwriting company, before it was closed in 1991.

In the year to December 31 1992, Gryphon contributed £9.9m to group pre-tax profits of £42.5m, down from £67.1m, due to a £25.7m increase in provisions at Sovereign.

This provision covered

claims from Hurricane Hugo and other natural catastrophes from 1989, 1990 and 1991.

Willis Corroon said it expected the offering to take place in the fourth quarter of this year. Smith Barney Shearson, Goldman Sachs and Lehman Brothers will manage the underwriting of the offering in the US.

See Lex

## Docks bid raises eyebrows and ire

Maggie Urry looks at the furore over Medway Ports' £104m sale

ONE question arising from Mersey Docks and Harbours' £103.7m agreed bid for Medway Ports has raised not only eyebrows but ire. That is: why are shares which were valued in February and traded in June at a price of £2.50 now worth £37.57?

The huge difference in value has brought threats of legal action against KPMG Peat Marwick, the accountants which valued the shares, from those who - they feel - were forced to sell them at £2.50. So far, neither KPMG nor Medway Ports have received writs, and many believe the protestors do not have a claim.

KPMG will only say: "At the time the valuation was carried out by KPMG there was great uncertainty involving the labour force at the Medway Ports, there was certainly no potential purchaser on the horizon at that time."

One other adviser to Medway Ports said yesterday: "Hindsight is a wonderful thing. You have to remember why the valuation was done and what has

changed since. KPMG did a thorough job."

He said that the valuation was done for internal share transfers in a private company, where buyers and sellers had to be matched. Such values are generally lower than an equivalent public company would expect.

At the time of the Medway Ports valuation there was uncertainty over the long term profitability of the group and there was no prospect of an early exit for investors.

When the government privatised Medway Ports, which owns the Sheerness and Chatham docks, in March 1992 there was only one bidder, a management and employee buy out which offered £27m. The employees bought shares at £1 each.

By the end of last year the company was embroiled in a bitter dispute with some of its workforce. The company wanted to cut wages and increase working hours, doing away with working practices which it considered hampered



New cars lined up prior to loading at Sheerness Docks

its chances of retaining customers and increasing profits.

One adviser said yesterday: "The company's financial state was parlous, it was right up against its bank covenants. It could have gone under."

The dispute ended in the redundancy of 268 dockers, who were then obliged to sell their shares because they

ceased to be employees. The bitter irony for them is that their departure in large part transformed the group's fortunes, and made it attractive. By the summer, the group was looking at an early flotation and a number of trade buyers appeared enabling Medway to extract the offer from Mersey Docks.

## Brent Walker considering options over William Hill

By Maggie Urry

BRENT WALKER, the heavily-indebted leisure and property group which releases its interim results on Monday, is looking at the possibility of retaining its William Hill betting shop chain, rather than floating or selling it.

The group is considering two offers for William Hill. The Warburg consortium, which opened the bidding with a £260m cash offer, is understood to have upped its bid to between £450m and £475m.

This offer is structured to allow Brent Walker to retain a sizeable, though minority, stake. This would enable the loss-making group to share in any recovery and growth the betting chain achieved.

The other offer, thought to be lower than Warburg's, is from a consortium led by Caven and Legal and General.

William Hill is also pursuing

the flotation option. It has appointed sponsors and is interviewing potential public relations advisers next week. Sober estimates of the likely value at flotation are in the £320m to £340m region.

It is thought a trade sale could be completed sooner than a flotation and it would not be subject to the vagaries of the stock market.

Standard Chartered, the lead bank in the Brent Walker syndicate, confirmed yesterday that it had started talks with the other lenders about refinancing the £350m William Hill syndicate.

William Hill, which is ring-fenced from the rest of Brent Walker, has to repay its loan by March 1 next year.

It is thought that Brent Walker would also seek to raise new money from its banks, although StanChart would not comment on this. With the values put on William Hill by the trade offers and the

flotation estimates, Brent Walker now has a better chance to convince its banks to take on the William Hill debt. William Hill is cash generative and if the ring fence can be removed and the chain absorbed within Brent Walker it could improve the prospects for the group as a whole.

Brent Walker's results are expected to show an improvement in trading at William Hill, thanks to evening opening and despite the fiasco of the Grand National. However, the group's pub business is thought to be under pressure.

Massive interest charges will turn operating profits into pre-tax losses. The loss for the first half of 1992 was £74.4m although operating profits were £28.5m. Interest totalled £108m. In the whole of 1992 operating profit was £49.5m, but pre-tax losses were £427.4m after interest of £204.4m and exceptional losses of £346m.

## £32m loss on tool hire sale hits Mowlem

By Catherine Milford

Interim losses at Mowlem soared to £41.8m after a £32m loss on a tool hire business it sold recently. Excluding the charge, the pre-tax loss and turnover were static at £3.8m and £658m, but the contractor and housebuilder maintained the interim dividend at 2p believing cost-cutting efforts will pay off next year.

"The benefit of cost-cutting measures will be clearly apparent in the 1994 results and the overall financial strength of the group means we are maintaining the interim dividend," said Sir Philip Beck, chairman.

"While there are some signs of recovery in the overall UK economy, the improvement is still weak, uneven and, as widely reported, shows few signs of feeding through into the construction industry," he added.

Sir Philip said he expected the company to incur a full-year pre-tax loss "broadly similar" to last year's £38.5m, before the loss on the disposal of the profitable HSS Hire Service Group in May for £52m. Under new accounting requirements Mowlem reinstated a reserves £42.5m of goodwill previously written off, offset by a £32m loss on the disposal based on the original purchase price. The net effect was a £10m gain in shareholders funds.

The first-half 1992 pre-tax loss was £10m on turnover of £652m. Losses per share were 39.5p (9.7p loss before the charge) against losses of 9.5p a year earlier. For the fifth time, Mowlem has dipped into reserves, withdrawing £2.3m to pay the £2.2m interim dividend.

All divisions recorded operating losses except scaffolding, which made profits of £2.4m (£1.8m), and contracting, which broke even compared with a £500,000 loss last year. Housing incurred a loss of £700,000 (£500,000 profits), while aviation was £2.4m (£2.5m) in the red.

## Hepworth bullish despite fall

By Peggy Hollinger

BRITAIN'S construction sector took heart yesterday from bullish statements by Hepworth, the building materials and boiler group, which said it had spotted definite signs of recovery in the UK, in spite of a 16 per cent fall in interim pre-tax profits.

Mr John Carter, chief executive, said the outlook for trading was now more promising than in recent years. "There are pockets of recovery appearing right across our operations, particularly in building products," he said.

The group was announcing a fall in pre-tax profits from

£32.8m to £27.5m for the six months to June 30. Sales were 4 per cent higher at £31.9m.

Mr Carter said the results in the first half were 30 per cent better than in the second half of 1992, reflecting the savings achieved in a wide-ranging cost reduction programme and the upturn in the UK. Hepworth cut some 500 jobs in the first half, mostly in the UK. Mr Carter said a further 200 would be taken from the remaining 8,500 staff, mainly in the continental European businesses.

Operating profits were down in all divisions, but Mr Carter said Saunier Duval, the group's French boiler subsidiary, had performed well in difficult cir-

cumstances. Saunier Duval, which fell 7 per cent at the operating level to £12.5m, had been hit by weak currencies in its main export markets, Spain and Italy.

Hepworth's building products division showed a slight decline in operating profits from £11.5m to £11.1m, on sales down 1.5 per cent to £79.2m. Mr Carter said the decline had been cushioned by cost cutting. Home products fell 21 per cent to £5m, while minerals and chemicals came in £2m lower at £3.5m. Refractories fell 20 per cent to £3.7m.

Earnings per share fell from 11.3p to 9.1p and the dividend is maintained at 5.5p.

See Lex

### ADVERTISEMENT

#### BUILDING SOCIETY INVESTMENT TERMS

Name of Society	Product	Assets	Liabilities	Net Assets	Interest	Minimum	Access and other details
Albion & Leicester	Brexit 90	7.85	7.85	5.39	5.39	Ytd	7,657,357,855.30
	Tenax	7.85	7.85	-	-	Ytd	28 days notice/monthly inc. ac
	Index	6.25	6.25	4.69	4.69	Ytd	5.51 £100K to £250K 2.5% 1996 instant access
	Instant Access	5.85	5.85	3.79	3.79	Ytd	4,694,394,994,259.50
Widening Horizons (1996 77077)	Reserve High Int	7.20	7.20	5.31	5.31	Ytd	50,000
	First Class Int	7.60	7.60	5.70	5.70	Ytd	Instant access above £10K
	Mastercard Special Asset	5.50	5.50	4.33	4.33	Ytd	328 day notice, Monthly Income
	Mastercard Special Asset	6.50	6.50	4.80	4.80	Ytd	5-25% gross, 4.25% gross, 4.75% gross, 7.25% gross
	Mastercard Special Asset	7.00	7.00	5.25	5.25	Ytd	20,000
	Mastercard Special Asset	7.25	7.25	5.44	5.44	Ytd	40,000
	Mastercard Special Asset	7.50	7.50	-	-	Ytd	9,000
Catholic (1971-222-67367)	1st Class	7.80	7.80	6.80	6.80	Ytd	2.5% Gross on specific fund
	2nd Class	6.80	6.80	6.80	6.80	Ytd	90 day 22K to 4.75% 2.5% 2.5% 2.5%
Central (1971-222-67367)	1st Class	7.80	7.80	6.80	6.80	Ytd	Interest Rate Guaranteed to 31.12.95 (0.49% thereafter)
	2nd Class	6.80	6.80	6.80	6.80	Ytd	Instant access, no penalties
Cheltenham & Gloucester (1988 72209)	1st Class	7.80	7.80	6.80	6.80	Ytd	Instant, with 7 day loss of interest, Min. Inv. £2500
	2nd Class	6.80	6.80	6.80	6.80	Ytd	Fixed term, from 7.85 £25K 7.25% £100K 7.50%
	3rd Class	6.80	6.80	6.80	6.80	Ytd	Withdrawals at only 90 days notice
	4th Class	6.80	6.80	6.80	6.80	Ytd	31.12.95 7.25% 10K, 7.50% 25K
	5th Class	6.80	6.80	6.80	6.80	Ytd	Gross rates include 0.25% annual gross
	6th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	7th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	8th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	9th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	10th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	11th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	12th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	13th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	14th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	15th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	16th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	17th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	18th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	19th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	20th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	21st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	22nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	23rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	24th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	25th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	26th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	27th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	28th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	29th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	30th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	31st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	32nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	33rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	34th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	35th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	36th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	37th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	38th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	39th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	40th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	41st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	42nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	43rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	44th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	45th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	46th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	47th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	48th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	49th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	50th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	51st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	52nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	53rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	54th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	55th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	56th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	57th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	58th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	59th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	60th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	61st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	62nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	63rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	64th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	65th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	66th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	67th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	68th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	69th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	70th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	71st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	72nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	73rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	74th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	75th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	76th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	77th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	78th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	79th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	80th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	81st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	82nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	83rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	84th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	85th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	86th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	87th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	88th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	89th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	90th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	91st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	92nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	93rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	94th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	95th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	96th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	97th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	98th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	99th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	100th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	101st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	102nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	103rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	104th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	105th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	106th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	107th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	108th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	109th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	110th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	111th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	112th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	113th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	114th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	115th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	116th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	117th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	118th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	119th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	120th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	121st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	122nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	123rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	124th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	125th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	126th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	127th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	128th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	129th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	130th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	131st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	132nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	133rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	134th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	135th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	136th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	137th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	138th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	139th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	140th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	141st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	142nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	143rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	144th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	145th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	146th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	147th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	148th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	149th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	150th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	151st Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	152nd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	153rd Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	154th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	155th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	156th Class	6.80	6.80	6.80	6.80	Ytd	Interest payable when no withdrawals
	157th Class	6.80	6.80	6.80	6.80	Ytd	







# AGF profits steady at FF1.4bn for first half

By Alice Rawsthorn in Paris

ASSURANCES Générales de France (AGF), the French insurance company which is on the government's privatisation list, saw net profits stabilise at FF1.4bn (\$246m) in the first half of 1993, against FF1.4bn a year earlier.

The static performance stemmed partly from the inclusion of a share of the losses at Comptoir des Entrepreneurs, the troubled finance group, which totalled FF257m.

Mr Michel Albert, chairman, declined to forecast full-year earnings, but said he was confident in spite of the "difficult state" of the insurance market. He said he was "even more" confident about 1994.

AGF, the third-largest insurer in France behind Union des Assurances de Paris and Axa, saw turnover from insurance activities rise by 7.9 per cent to FF32.6bn in the first six months of this year,



Michel Albert, AGF chairman confident over full-year result

from FF30.2bn in the same period of 1992. French accident insurance business recovered, doubling net profits to FF125m from FF125m, and the reinsurance side made modest progress to FF48m from FF44m. AGF's

insurance interests outside France moved out of the red with net profits of FF212m against a loss of FF98m.

The group said it had benefited from a slight improvement in conditions and from tighter cost control.

However, net profits from French life insurance business fell sharply to FF758m from FF1.05bn. Losses on financial interests deepened to FF163m from FF160m mainly due to the losses on its 29.7 per cent stake in Comptoir des Entrepreneurs.

The finance group is implementing a recovery plan. Losses totalled FF940m in the first half of this year, against net profits of FF237m at the interim stage last year.

The company said yesterday that the outlook for the full year was uncertain, but it was convinced that the worst of its problems were over and that the second half would show an improvement on the first.

## Investors take stake in Burmese airline

By Simon Davies in Hong Kong

A GROUP of Asian businessmen have taken control of Myanmar International Airways (MIA), the Burmese airline, in the first large privatisation project by south-east Asia's most politically-isolated country.

The Prince of Brunei, Mr Oei Hong Leong (son of the founder of Indonesia's Sinar Mas group) and Mr Wong Yung Fui are the largest shareholders in a consortium which has purchased 70 per cent of MIA for US\$10m. Burma's military government retains 30 per cent, and has an option to move back up to 50.4 per cent.

MIA has international landing rights for 37 countries, but little demand for the routes and few assets. Its ageing fleet has been passed on to the domestic airline, and a new aircraft has been leased from Royal Brunei Airlines to fly routes between Rangoon and Hong Kong, Singapore and Bangkok. Another aircraft will be taken on next year.

Mr Oei said: "Burma is like China was 30 years ago." His Hong Kong-listed company, China Strategic, operates more than 200 factories in China, injecting outside management into state-run businesses.

Mr Oei is confident that MIA will be profitable soon, once the government's push to attract tourism and foreign investment starts to make an impact. In 1992, only 20,000 tourists visited Burma, but the government claims that this figure will have risen to 500,000 by 1996.

The deal illustrates a changing attitude towards Burma by south-east Asia's businessmen. A Hong Kong-led consortium is renovating the colonial Strand Hotel in Rangoon (once one of the great hotels of Asia), and other Asian hotel groups such as Shangri-La and New World are understood to be considering projects.

The economy remains tightly controlled, with an artificial exchange rate - 7 kyats to the dollar, versus the black market rate of around 110 - but Mr Oei claims that the military is committed to economic change.

Since the military takeover in 1988, Burma has been shunned by the international community, although Korean and Thai companies are already active investors. Mr Oei argues: "If you isolate them, they can still survive. But if you change the economic environment, it will change the government."

## Olivetti optimistic as deficit widens

By Haig Simonian in Milan

OLIVETTI, the Italian computers group, remained deeply in loss for the first half of this year. However, it claimed yesterday that the outlook for 1993 as a whole had improved due to greater competitiveness and a slight let-up in downward pressure on operating margins.

Although net group losses at L188.1bn (\$105.7m) were considerably higher than the L83.4bn loss in first half of 1992, Mr Corrado Passera, joint managing director, said the figures were broadly similar.

Mr Passera pointed out that the 1992 deficit been partly

masked by L170bn of accruals carried over from 1991.

According to Mr Passera, the first-half loss represented a small but significant upturn from the depressed figures in the second half of last year.

For the whole of 1992, Olivetti reported a net loss of L649.9bn.

Industry analysts expect the group to lose between L400bn and L450bn in 1993, while Olivetti itself predicts a return to break-even by December 1994.

Sales for the six months rose by 5.4 per cent to L3,949bn, with most of the increase coming in "a number of competitive European and US

markets", Olivetti said.

However, turnover has been boosted by last year's sharp devaluation of the lira, which has swelled the value of foreign sales in lira terms.

Mr Passera said that although the devaluation had ostensibly helped competitiveness, the overall effect had been mildly negative because of appreciably higher prices for imported components.

Earnings had also been affected by the unexpectedly steep fall in domestic demand because of the recession.

Mr Passera said that the information technology industry remained under pressure because of overcapacity and competition.

However, although margins had continued to fall after precipitous declines in 1991 and 1992, "they are no longer dropping at the same speed", he added.

Olivetti said that its share of the European personal computer market rose to 6.2 per cent in June from 4.9 per cent at the same time last year, while shipments increased by more than 50 per cent.

There was also a rise in sales of printers, notably of bubble jet models.

The group's financial position improved. Net borrowings dropped to L741m at the end of June from L981m last December, due partly to this year's L930m rights issue.

## Italian banks post advances in run-up to privatisations

By Haig Simonian

BANCA Commerciale Italiana and Credito Italiano, the two Italian banks about to be moved fully into the private sector, yesterday both reported substantially higher first-half earnings.

The figures were announced as the Rome government approved legislation for privatisations. The changes allow for the introduction of "golden shares" and abolish the previous ban on the state lowering its stake in public-sector banks below 51 per cent of the capital.

BCI, the bigger of the two banks, said that pre-tax profits reached L387.1bn (\$243m), net of L325bn in loan loss provisions, unrealised losses on securities and depreciation.

No comparable figure was released for the first half of 1992.

Earnings before taxes, depreciation and provisions, but after extraordinary items - the only figure allowing a direct year-on-year comparison - showed a strong improvement. Profits amounted to L866.8bn for the six months, against L601.5bn.

BCI said earnings had been boosted by a 10.9 per cent rise in interest margins to L1,423bn and rapidly expanding fee-related business, which jumped 56.5 per cent to L294.4bn.

Operating costs, however, continued to rise at well above inflation, with an increase of almost 9 per cent to L1,312.6bn.

Credito Italiano's first-half profits amounted to L133bn after tax and provisions. As with BCI, no comparable half-year figure for 1992 was given. Credito Italiano made net profits of L208m for the whole of 1992.

Gross operating profits jumped 55 per cent to L628bn from L405.5bn in the first half of last year.

The improvement was driven by a 17 per cent rise in interest margins to L1,203bn and a 55 per cent leap in fee-based income to L532bn.

At BCI the ratio of bad loans to total lending rose to 2.8 per cent from 2 per cent. At Credito Italiano the ratio reached 2.56 per cent.

The Italian government is to extend the suspension of capital gains tax until June 30 1994. The cabinet approved a decree on the extension yesterday.

The suspension, which was warmly welcomed by the Milan bourse when it was implemented after long delays, has been seen as one of the most important factors stimulating Italian share prices this year.

## Lufthansa buys 25% of Sky Chefs

By Frank McGurty in New York

LUFTHANSA, the German national airline, yesterday agreed to acquire a 25 per cent stake in Sky Chefs, a Texas-based food service business, in a move claimed to create the world's largest airline catering alliance with about 13.5bn in revenues.

LSG Lufthansa Service, the airline's food-service division, is to buy one quarter of Sky Chefs' existing stake for \$75m. Oneworld, a diversified Canadian group, currently owns 50 per cent of the company, with Sky Chefs' management holding the remainder.

Oneworld said the move was part of a global marketing accord between LSG Lufthansa, the largest in-flight food operation in Europe and Asia, and Sky Chefs, the second-biggest airline caterer in the US.

Sky Chefs has some \$500m in turnover a year. The alliance will enable the companies to provide food services to airlines on a worldwide basis.

## Trygg US arm to raise \$355m

By Christopher Brown-Humes in Stockholm

TRYGG-HANSA SPP, the Swedish insurance group, said its US associate Home Holders plans to raise \$355m through an initial public offering and seek a listing on the New York Stock Exchange.

The group made the announcement as it unveiled a doubling of operating profits for the first eight months of the year to SKr437m (\$131.1m) from SKr437m. The 1992 figure excludes the impact of SKr5bn in losses related to investments in Gota AB and two

credit insurance operations. The IPO will be in the autumn with the main aim of reducing Home's leverage. Home is the 34th largest insurer in the US, specialising in areas such as lawyers' professional liability insurance.

Trygg said Home's reserves would be strengthened by \$290m to meet the rigorous requirements imposed on listed US insurers. The cost will be met partly by realised capital gains of \$140m and partly by shareholders.

Trygg said its share of the reserve strengthening would wipe SKr450m off its result.

After the IPO, the Trygg-Hansa SPP group's total ownership of Home will fall to 47 per cent from 64 per cent, although it will have an option to purchase a further 5-10 per cent. Mr Björn Spångberg, Trygg's chief executive, said Home remained an important strategic investment.

Profits from Trygg's property and casualty business climbed 53 per cent to SKr510m in the period. The market value of investments rose 19 per cent to SKr21.1bn while volatility margin - the ratio of shareholders' funds to premiums - rose to 150 per cent from 134 per cent.

## Enrico becomes vice-chairman at PepsiCo

MR ROGER Enrico is moving from the chairmanship of PepsiCo's worldwide food operations to become vice-chairman of the food and soft drinks group, writes Martin Dickson in New York. He will concentrate on co-ordinating long-term planning and developing PepsiCo executives.

Mr Enrico, 48, is widely tipped as the front-runner to succeed Mr Wayne Calloway, the 58-year-old chairman of PepsiCo. Mr Albert Eisenstat, executive vice-president and secretary of Apple Computer, is leaving the company and has filed a lawsuit in a dispute over his compensation.

## Crédit Local reports 5% rise to FF698m

By Alice Rawsthorn

CREDIT Local de France, the French bank which earlier this year staged a share sale on the Paris stock market, yesterday announced a 5.1 per cent increase in net profits to FF698m (\$122.5m) for the first half of 1993, compared with the same 1992 period.

The French banking industry has suffered in recent months from the impact of the recession on demand for credit and on property prices.

However, Crédit Local, a specialist bank which provides loans to local authorities, has been spared many of the problems that have affected its

competitors in retail banking. Mr Pierre Richard, chairman, described the group's first-half performance as "very satisfactory". He anticipated continued growth in the second half, with net profits increasing by around 7 per cent to between FF1.25bn and FF1.28bn for the full financial year.

Credit Local saw net banking income rise by 6.8 per cent to FF1.66bn at the interim stage this year, from FF1.55bn in the first half of last year. Operating profits increased by 2.4 per cent to FF1.07bn from FF1.05bn, and exceptional charges were FF10.2bn, against FF14.2bn in the previous interim period.

## McCain brothers call truce

By Bernard Simon in Toronto

WALLACE and Harrison McCain, the Canadian brothers who head the McCain potato chip and frozen-food empire, have called a truce in their public feud over succession plans for the family-owned company.

The agreement means that instead of airing their dispute in open court, the brothers will renew attempts to reach a private settlement. If those efforts fail to achieve a deal by early next year, the family will resolve its differences through arbitration.

A court in New Brunswick was this week due to hear an application by Wallace for an

injunction overturning a decision by the McCain Foods' board to oust him as joint chief executive by the end of this month.

Five minutes before the hearing was due, however, the judge was asked to postpone the case while the two sides hammered out a settlement. Under the agreement, Wallace will remain as joint chief executive while the company seeks a successor to the brothers.

The feud stems from a unilateral decision by Wallace three years ago to appoint his son Michael as head of McCain's US operations.

Harrison said in an affidavit earlier this month that an atmosphere of "distrust, intrigue and manoeuvring" has since pervaded the business.

Wallace has argued that Harrison has felt threatened since he had a heart attack last year. Wallace said in a recent affidavit that failing the implementation of a previously agreed succession plan, his first choice was to split the company, which has annual sales of about Cdn\$1.5bn (\$1.2bn), into two roughly equal parts. He would take over the US and the Pacific Rim operations, leaving Harrison with the UK and European businesses. McCain is the biggest UK supplier of frozen potato chips.

Wallace has also proposed buying the two-thirds stake in McCain Foods which he and his branch of the family do not already own.

## Ralston-Purina plans spin-offs

RALSTON-PURINA has approved a plan to divest its cereal and baby-food businesses, as well as a small baked-goods operation, writes Frank McGurty.

The three divisions generated \$808.6m in revenues in 1991-92. In a surprise move, Ralston added several other marginal businesses to the spin-off package, which it had proposed last month. These include two Colorado ski resorts, Breckenridge and Keystone. The spin-off is subject to US government approval.

### WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1993	Low 1993
Gold per troy oz.	\$357.25	+5.25	\$349.36	\$405.75	\$338.05
Silver per troy oz.	\$274.00	+5.85	\$273.49	\$302.50	\$236.00
Aluminium 99.7% (cash)	\$1100.00	-19.5	\$1273.5	\$1240.00	\$1100.00
Copper Grade A (cash)	\$1745.5	-10.0	\$1393.5	\$1300.00	\$1108.50
Nickel (cash)	\$367.0	-8.0	\$349	\$400.00	\$337.00
Lead (cash)	\$434.25	+49.0	\$367.0	\$340.00	\$429.5
Zinc SHG (cash)	\$375.5	-2.0	\$1535	\$1112	\$988.0
Tin (cash)	\$4582.5	+242.5	\$2455	\$2447.5	\$4340.0
Cocoa Futures (Dec)	\$216	+13	\$240	\$216	\$235
Coffee Futures (Nov)	\$1264	-30	\$804	\$1297	\$836
Sugar LDP Raw	\$259.5	+3.0	\$220.6	\$317.4	\$204.5
Barley Futures (Jan)	\$105.0	-0.3	\$120.36	\$110.30	\$101.57
Wheat Futures (Jan)	\$104.5	+0.3	\$123.00	\$149.45	\$103.95
Cotton Outlook A Index	\$51.00	-0.40	\$55.75	\$26.95	\$44.80
Wool (H4 Super)	\$27p	+2	\$410p	\$403p	\$319p
Oil ( Brent Blend)	\$16.35	+0.22	\$20.425	\$19.55	\$15.995

For terms see elsewhere stated. p=previous, c=cash, f=futures.

### London Markets

SPOT MARKETS  
Quoted off per barrel FOB (Nov)

Crude oil (per barrel FOB Nov)  
Brent Blend (Nov)  
Brent Blend (Nov)  
WTI (1 pm bid)  
Oil products  
NHE prompt delivery per tonne CIF

Crude oil (per barrel FOB Nov)  
Brent Blend (Nov)  
Brent Blend (Nov)  
WTI (1 pm bid)  
Oil products  
NHE prompt delivery per tonne CIF

Crude oil (per barrel FOB Nov)  
Brent Blend (Nov)  
Brent Blend (Nov)  
WTI (1 pm bid)  
Oil products  
NHE prompt delivery per tonne CIF

Crude oil (per barrel FOB Nov)  
Brent Blend (Nov)  
Brent Blend (Nov)  
WTI (1 pm bid)  
Oil products  
NHE prompt delivery per tonne CIF

Crude oil (per barrel FOB Nov)  
Brent Blend (Nov)  
Brent Blend (Nov)  
WTI (1 pm bid)  
Oil products  
NHE prompt delivery per tonne CIF

Crude oil (per barrel FOB Nov)  
Brent Blend (Nov)  
Brent Blend (Nov)  
WTI (1 pm bid)  
Oil products  
NHE prompt delivery per tonne CIF

COCOA - LDC	Close	Previous	High/Low
Sep 888	882	880	880
Dec 918	922	925	914
Mar 945	946	947	940
May 958	954	955	948
Jul 958	950	951	958
Sep 961	964	962	968
Dec 970	970	970	988
Mar 972	974	974	989
May 976	976	977	977

COFFEE - LDC	Close	Previous	High/Low
Sep 1309	1325	1349	1308
Nov 1259	1280	1299	1250
Jan 1259	1274	1286	1240
Mar 1259	1282	1279	1259
May 1259	1257	1288	1250
Jul 1259	1257	1288	1250

POTATOES - LDC	Close	Previous	High/Low
Apr 83.7	86.7	86.0	83.7
May 87.7	87.0	87.0	87.0

FRUITS - LDC	Close	Previous	High/Low
Oct 1478	1486	1480	1475
Nov 1486	1480	1480	1482
Dec 1486	1477	1480	1482
Jan 1478	1483	1485	1485
Feb 1486	1483	1480	1480

GRAINS - LDC	Close	Previous	High/Low
Nov 102.70	102.10	102.75	102.00
Jan 104.55	105.05	104.55	104.40
Mar 106.55	105.95	106.55	106.40
May 106.55	106.15	106.55	106.25

BARLEY - LDC	Close	Previous	High/Low
Nov 103.25	103.25	103.25	103.25
Jan 103.25	104.90	103.25	103.25
Mar 107.15	106.70	107.15	106.75
May 106.45	106.45	106.45	106.45

SPICES	Close	Previous	High/Low
Nov 103.25	103.25	103.25	103.25
Jan 103.25	104.90	103.25	103.25
Mar 107.15	106.70	107.15	106.75
May 106.45	106.45	106.45	106.45

LONDON METAL EXCHANGE	Close	Previous	High/Low
Aluminium 99.7% (Nov)	1100.00	1100.00	1100.00
Copper Grade A (Nov)	1745.5	1745.5	1745.5
Nickel (Nov)	367.0	367.0	367.0
Lead (Nov)	434.25	434.25	434.25
Zinc SHG (Nov)	375.5	375.5	375.5
Tin (Nov)	4582.5	4582.5	4582.5

LONDON BULLION MARKET	Close	Previous	High/Low
Gold (Nov)	357.25	357.25	357.25
Silver (Nov)	274.00	274.00	274.00
Palladium (Nov)	1100.00	1100.00	1100.00

NEW YORK	Close	Previous	High/Low
Gold (Nov)	357.25	357.25	357.25
Silver (Nov)	274.00	274.00	274.00
Palladium (Nov)	1100.00	1100.00	1100.00

NEW YORK	Close	Previous	High/Low
Gold (Nov)	357.25	357.25	357.25
Silver (Nov)	274.00	274.00	274.00
Palladium (Nov)	1100.00	1100.00	1100.00

NEW YORK	Close	Previous	High/Low
Gold (Nov)	357.25	357.25	357.25
Silver (Nov)	274.00	274.00	274.00
Palladium (Nov)	1100.00	1100.00	1100.00



# CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

### Dollar stronger on crisis

THE CONTINUING crisis in Russia was again the dominant theme in currency markets yesterday, pushing the dollar up to a high of DM1.6575 on the day, writes James Blyth.

For most of this week, the movements in the dollar/exchange rate have been entirely determined by events in Moscow. Yesterday, the dollar got off to a very strong start as news was flashed on agency screens that there had been shooting outside the headquarters of the Commonwealth of Independent States.

Mr Yeltsin's order that troops inside the White House building had to disarm themselves helped the dollar to its high for the day. An additional factor was the onset of the weekend: few dealers wanted to be short of dollars over Saturday and Sunday lest events got out of control.

However, towards the end of European trading yesterday, a succession of statements

suggested that there would be no violence in Moscow in the immediate future, and the dollar drifted down again.

The US currency closed at DM1.6485 from a previous DM1.6450.

Events in Moscow are so unpredictable that it would probably be unwise for any dealer to be too short of dollars next week. But the experience of the market is that political crises like the Gulf War and the overthrow of President Gorbachev have only short term effects on exchange rates, and the dollar is likely to drift down again.

The Bundesbank meeting in two weeks time will also be Mr Hans Tietmeyer's first as Bundesbank President - so there is unlikely to be any easing in German monetary policy until October 7 at the very earliest.

The D-Mark's performance on the European crosses matched that against the dol-

lar. While weak in the European morning, the D-Mark soon came back. It closed unchanged against the French franc at FF3.481.

The Danish krone has had a far more robust performance in recent days, and was further helped by yesterday's 1% percentage point cut in Danish interest rates. It closed at DKR4.07 from a previous DKR4.07.

Sterling had a weaker performance against the D-Mark than any other currency. Thursday night's report from the Confederation of British Industry showed that export orders for manufactured goods have slipped this month to their lowest level since April. This prompted more rate cut speculation in sterling money markets and this had a knock-on effect on the currency, which closed at DM2.4750 from a previous DM2.4775.

## S IN NEW YORK

Spot	1 Month	3 Month	6 Month
£/\$	1.5000-1.5000	1.5000-1.5000	1.5000-1.5000
DM/\$	0.53-0.54	0.53-0.54	0.53-0.54
FF/\$	2.10-2.11	2.10-2.11	2.10-2.11
12 month	2.10-2.11	2.10-2.11	2.10-2.11

Forward premiums and discounts apply to the US dollar.

## CURRENCY RATES

Spot	1 Month	3 Month	6 Month
£/\$	1.5000-1.5000	1.5000-1.5000	1.5000-1.5000
DM/\$	0.53-0.54	0.53-0.54	0.53-0.54
FF/\$	2.10-2.11	2.10-2.11	2.10-2.11
12 month	2.10-2.11	2.10-2.11	2.10-2.11

## CURRENCY MOVEMENTS

Spot	1 Month	3 Month	6 Month
£/\$	1.5000-1.5000	1.5000-1.5000	1.5000-1.5000
DM/\$	0.53-0.54	0.53-0.54	0.53-0.54
FF/\$	2.10-2.11	2.10-2.11	2.10-2.11
12 month	2.10-2.11	2.10-2.11	2.10-2.11

## OTHER CURRENCIES

Spot	1 Month	3 Month	6 Month
£/\$	1.5000-1.5000	1.5000-1.5000	1.5000-1.5000
DM/\$	0.53-0.54	0.53-0.54	0.53-0.54
FF/\$	2.10-2.11	2.10-2.11	2.10-2.11
12 month	2.10-2.11	2.10-2.11	2.10-2.11

## FORWARD RATES

Spot	1 Month	3 Month	6 Month
£/\$	1.5000-1.5000	1.5000-1.5000	1.5000-1.5000
DM/\$	0.53-0.54	0.53-0.54	0.53-0.54
FF/\$	2.10-2.11	2.10-2.11	2.10-2.11
12 month	2.10-2.11	2.10-2.11	2.10-2.11

## MONEY MARKETS

### Hints of cutting

FRENCH FRANC interest rates rose sharply yesterday amid signs that the Bank of France might ease monetary policy next week, writes James Blyth.

There was no formal statement or move by the Bank of France yesterday. But dealers noted that the central bank had little to obstruct a 50 basis point fall in the overnight rate of French francs, down to around 7.15 per cent.

It is now some 40 basis points above the intervention rate at 6.75 per cent. One dealer said that the central bank had been gently adding liquidity to the market.

UK clearing bank base lending rate 6 per cent from January 26, 1993.

## FT LONDON INTERBANK FIXING

11.00 AM Sep 24	3 months US dollars	6 months US dollars
Mid 3%	Mid 3%	Mid 3%

## MONEY RATES

NEW YORK	One month	Three month	Six month
Libor	5.51	5.51	5.51
Prime	5.51	5.51	5.51
30 day	5.51	5.51	5.51
90 day	5.51	5.51	5.51
180 day	5.51	5.51	5.51

## LONDON MONEY RATES

Spot	One month	Three month	Six month
£/\$	1.5000-1.5000	1.5000-1.5000	1.5000-1.5000
DM/\$	0.53-0.54	0.53-0.54	0.53-0.54
FF/\$	2.10-2.11	2.10-2.11	2.10-2.11
12 month	2.10-2.11	2.10-2.11	2.10-2.11

## FINANCIAL FUTURES AND OPTIONS

### US DOLLAR FUTURES

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO DOLLAR FUTURES

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### STERLING FUTURES

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND FUTURES

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### US TREASURY BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### US TREASURY BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BILLS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO POUND BONDS

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

## FINANCIAL FUTURES AND OPTIONS

### US DOLLAR FUTURES

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### EURO DOLLAR FUTURES

Strike	Dec	Mar	Jun	Sep
111	1.5000	1.5000	1.5000	1.5000
112	1.5000	1.5000	1.5000	1.5000
113	1.5000	1.5000	1.5000	1.5000
114	1.5000	1.5000	1.5000	1.5000
115	1.5000	1.5000	1.5000	1.5000

### STERLING FUTURES

	Latest	High	Low	Prev.
Dec	118-06	118-11	117-25	118-03
Mar	115-31	117-05	116-10	118-29
Jun	116-03	116-03	115-29	115-26
Sep	-	-	-	114-27
Dec	-	-	-	114-08
Mar	-	-	-	113-14
Jun	-	-	-	112-25
Sep	-	-	-	112-06
Dec	-	-	-	111-22

---

U.S. TREASURY BILLS (FORM)







## LONDON STOCK EXCHANGE

## Shares continue to hold their ground

By Terry Byland,  
UK Stock Market Editor

THE UK stock market continued yesterday to consolidate around its current levels, encouraged by indications during the day that the chances of serious political conflict in Russia appeared to be diminishing.

Equities were also helped by further gains in government bonds and also by analysts' suggestions that, despite this week's unimpressive flow of corporate news, prospects for UK corporates should be stronger than expected.

The FT-SE index passed the 3,000 mark for the first time, moving in a narrow range between 3,006.9 and

Account Dealing Dates	Settlement	Settlement	Settlement
First Dealings	Set 20	Set 20	Set 20
Second Dealings	Set 20	Set 20	Set 20
Third Dealings	Set 20	Set 20	Set 20
Fourth Dealings	Set 20	Set 20	Set 20
Fifth Dealings	Set 20	Set 20	Set 20
Sixth Dealings	Set 20	Set 20	Set 20
Seventh Dealings	Set 20	Set 20	Set 20
Eighth Dealings	Set 20	Set 20	Set 20
Ninth Dealings	Set 20	Set 20	Set 20
Tenth Dealings	Set 20	Set 20	Set 20

3,002.2. But the index was in positive ground throughout the session and the final reading, up 3.9 at 3,006.9, implied a further strengthening of the lower end of the latest trading range. The FT-SE Mid 250 index gained 1.6 to 3,431.9.

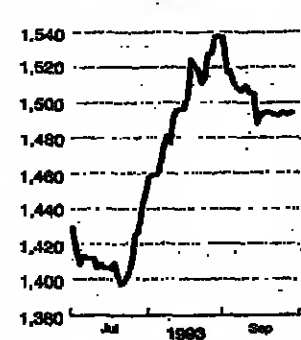
This week has brought what must be the smallest recorded shift in the Footsie - down a mere 0.3 points. The Footsie

3,000 mark has been successfully held despite the uncertainties associated with the political clash in Russia. Firms in the US dollar and other European continental markets have buoyed London. Trading volumes have also been good and trading has been little affected by the political drama in Russia. High retail, or customer, volume in UK equities has sustained confidence in the securities markets.

Company results, an actively restraining influence on UK share prices, continued to present a mixed picture yesterday, with John Mowlem, the building group, reporting increased losses.

But analysts at Kleinwort

FT-A All-Share Index



Benson, the UK merchant banker, and at James Capel, the London institutional broking house, published favoura-

ble comments on the outlook for UK company profits.

Trading volume was fairly poor, however, with Seaq business reaching only 527.5m shares compared with 713.5m on Thursday; non-Footsie business made up around 61 per cent of the total. In the previous session, retail business jumped to £1.63bn, at the higher end of the improved trading range of the past 12 months.

Long-dated UK government bonds edged higher without attracting much turnover. In the shorts, the closest reflection of base rate hopes, gains were very small. However, there was some interest in index-linked gilts which put on about 1/4 point.

## TRADING VOLUME IN MAJOR STOCKS

Stock	Volume	Value	Stock	Volume	Value
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00

## Doubts on GrandMet changes

DETAILS of the awaited boardroom changes at food and drinks group Grand Metropolitan took the market by surprise and unsettled the shares as market watchers tried to rationalise the moves. Sentiment was further weakened by a profits downgrade from a UK broker.

The company not only announced it was splitting the role of chief executive and chairman currently held by Sir Allen Sheppard but named Mr George Bull, now head of the food division, as the new chief executive. The market had for some time assumed that Mr Ian Martin, the managing director, would become the new chief executive.

Uncertainty reflected market fears that the changes might be an indication of problems at the group. The shares gave up 15 to 30p, after heavy trading of 8.5m shares.

The jitters over GrandMet came as sentiment in the drinks sector was at a low ebb following the poor results from Guinness earlier this week. NatWest Securities yesterday downgraded profit expectations at GrandMet. It reduced the current year estimate by £24m to £941m and cut the following year's figure by £38m to £1,047m.

## Healthcare switch

Consideration of President Clinton's health reforms continued yesterday to affect those UK health stocks with significant exposure to the US.

The main feature in the London stock market was a switch of holdings from Zeneca, the recently demerged pharmaceutical arm of ICI, to Glaxo.

President Clinton has said pharmaceutical companies will have to offer a 15 per cent discount on drugs sold to Medicare, the health system which offers subsidised treatments to the elderly and which represents 30 per cent of the US health budget. Analysts said Glaxo, which rose 133 to 654p, had less exposure to Medicare than Zeneca, which fell 11 to 710p.

Healthcare group Fisons was the subject of renewed takeover speculation, this time from both Zeneca and ICI. Although one of the oldest outstanding bid stories in London, Fisons shares lifted 7 1/2 to 174p. Oil stocks were firmer, reflecting a pick-up in crude oil prices and expectations of an advantageous outcome to the weekend's OPEC conference. Among the majors, Shell Transport improved 6 1/2 to 511p while BP was marginally firmer at 302p. The exploration and production companies were also a good market. Enterprise rose 4 to 432p and Laseco gained 2 1/2 to 146 1/2p.

## NEW HIGHS AND LOWS FOR 1993

Stock	High	Low	Stock	High	Low
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00
Admiral	1,000	100.00	British Airways	1,000	100.00

while its rival J Sainsbury gained 10 to 428p. Asda edged a penny forward to 80 1/2p.

Shares in Thorn EMI remained under a cloud as worries about the company's US Rent-A-Center operation continued. Nervous selling saw the shares give up 22 to 30p. The US subsidiary contributes between 15 and 16 per cent to group profits.

The recent selling in Ladbroke appears to have dried up and the shares finished 6 ahead at 185p. However talk that the final dividend could be cut continued to circulate.

In the rest of the drinks sector, the poor figures from Guinness released earlier this week continued to exact a toll and the shares lost another 5 to 422p in trade of 4.1m.

## CHIEF PRICE CHANGES YESTERDAY

Stock	Change	Stock	Change
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000

## EQUITY VALUES AND OPTIONS TRADING

TRADING volumes continued to fall away in London stock index markets yesterday as investors took a calmer view of the week's events in Russia, writes Terry Byland. After moving within a range of 18 points, the December contract on the FT-SE index closed at 3,036, a 27 point premium to the cash market but only about 3 points to the Fair

Value, cash and carrying costs, premium.

Salomon International was believed to have been a large seller of the December contract, selling about 1,000 contracts out of the day's total business of 7,500; earlier this week, daily turnover topped 15,000 contracts. Traded options had a brisk session, recording 36,996 con-

550m contract for a waste water scheme in Egypt.

The two new contracts rounded off a favourable week for the group in which its Balfour Beatty subsidiary signed a memorandum of understanding with Malaysia on project management contracts for building the country's new international airport.

Williams de Bruce was particularly active in the stock yesterday and Mr Mustafa Omar at the broker believes, "the 6 per cent yield premium is likely to fuel advances in the share price."

Among stores, SG Warburg was said to have been positive on Kingfisher where the shares advanced 4 to 659p. US buying was seen in British Steel and volume rose to 14m as the shares firmed 4 to 119 1/2p.

Further consideration of results from Quality Software, the developer and retailer of financial computer packages, sent the shares down another 4p to 479p.

## MARKET REPORTERS:

Peter John,  
Joel Kibazo.

Other statistics, Page 13.

## FINANCIAL TIMES EQUITY INDICES

Index	22/9	23/9	24/9	25/9	26/9	27/9	28/9	29/9	30/9
FT-SE 100	2991.1	2991.1	2991.1	2991.1	2991.1	2991.1	2991.1	2991.1	2991.1
FT-SE Mid 250	3431.9	3431.9	3431.9	3431.9	3431.9	3431.9	3431.9	3431.9	3431.9
FT-SE SmallCap	1781.82	1781.82	1781.82	1781.82	1781.82	1781.82	1781.82	1781.82	1781.82
FT-SE All-Share	1494.49	1494.49	1494.49	1494.49	1494.49	1494.49	1494.49	1494.49	1494.49

London report and latest share indices  
Tel: 0891 123001. Cables changed at 30p/minute cheap rates. 45p at all other times.

## FT-A INDICES LEADERS AND LAGGERS

Index	Change	Index	Change
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000

## BENCHMARK GOVERNMENT BONDS

Coupon	Rate	Price	Yield	Week	Month
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00
Admiral	1,000	100.00	100.00	100.00	100.00

## FT-SE Actuaries Share Indices

Index	Value	Index	Value
FT-SE 100	3005.2	FT-SE Mid 250	3431.9
FT-SE Mid 250	3431.9	FT-SE SmallCap	1781.82
FT-SE SmallCap	1781.82	FT-SE All-Share	1494.49

## THE UK SERIES

Index	Value	Index	Value
FT-SE 100	3005.2	FT-SE Mid 250	3431.9
FT-SE Mid 250	3431.9	FT-SE SmallCap	1781.82
FT-SE SmallCap	1781.82	FT-SE All-Share	1494.49

## RISES AND FALLS YESTERDAY

Index	Change	Index	Change
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000
Admiral	1,000	British Airways	1,000

# Any time any place any share.

Instant access to UK prices from anywhere in the world.

Whether you're doing business in Berlin or hatching deals in Hong Kong, FT Cityline International can link you with real time prices from the London Stock Exchange. One phone call is all it takes to put you in touch with:

- Over 3,000 share prices
- Over 3,000 unit trust prices
- A wide range of financial reports
- A confidential portfolio facility

FT Cityline has proved invaluable to business people and investors in the UK for years. And now it's available from anywhere in the world. Just fill in the coupon below or telephone 071 573 4047. You'll be amazed how little it costs to have instant access to this unique service.

**CITYLINE INTERNATIONAL**

## FURTHER INFORMATION

Please send me details of FT Cityline International.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

Post Code: \_\_\_\_\_ Tel No: \_\_\_\_\_

FT Cityline International is a service provided by the FT Cityline International Group, which is a subsidiary of the FT Cityline International Group. The FT Cityline International Group is a company registered in the United Kingdom. The FT Cityline International Group is a company registered in the United Kingdom. The FT Cityline International Group is a company registered in the United Kingdom.



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Ref	Con	Ref	Con	+ or -	Ref
-----	-----	-----	-----	--------	-----

## Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lauro SS

**INITIAL CHARGE:** Charge made on sale of units. Used to further marketing and to cover the initial expenses paid to intermediaries. This charge is included in the price of shares.

**SALE PRICE:** Also called by investors, price of units which are bought by investors.

**BID PRICE:** Namely the subscription price. The price of units which are sold back by investors.

**CANCELLATION PRICE:** The minimum redemption price. The minimum spread between the bid and offer price. The cancellation price is normally bid down by the government, in which case, most unit trust managers quote a cash offer price which is above the cancellation price. However, the bid price might be below the cancellation price, in which case, the unit trust manager will quote a cancellation price in excess of the bid price.

**TIME:** The time taken alongside the fund manager's report is the time of the unit trust's management which includes another year as indicated by the Financial Times. The time taken to publish the report, the Financial Times, is between (FY - 0001) to (FY - 0004) (i.e. 11 months) and (FY - 0005) to (FY - 0010) (i.e. 14 months) (FY - 0011 to FY - 0016) (i.e. 17 months) (FY - 0017 to FY - 0022) (i.e. 20 months).

**DAILY CASHING PRICE:** Also one of the best of the unit trust's price, it is a very good price which can always be higher price because commission.

**HISTORIC PRICING:** The letter is shown that the managers will normally deal on the price not on the market recent volatility. The price is not the market price but the price of the subscription and may not be the current daily price. The price is the best price for the subscription or a service to a customer. The managers must deal of a forward price, which is not, and may move to forward pricing at any time.

**FORWARD PRICING:** The letter is shown that the managers will normally deal on the price not on the market recent volatility. The price is not the market price but the price of the subscription and may not be the current daily price. The price is the best price for the subscription or a service to a customer. The managers must deal of a forward price, which is not, and may move to forward pricing at any time.

**SCHEME PARTICULARS AND REPORTS:** The most recent report and scheme particulars can be obtained free of charge from the scheme trust.

Other explanatory notes are contained in the text columns of the FT Management Finance Service, the FT Investment Service and their Trust and Unit Trusts Service.

**Regulatory Department**  
Central Point  
100, The Quadrant, London WC2N 2PA  
Tel: 01-272-5444.



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

## OTHER UK UNIT TRUSTS



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873-4378 for more details.

[illegible]



AMERICA  
Don't  
by  
price

(2000 price)

[illegible]

Thursday	Street
Travelers	4,080
West-Mart Stores	4,000
Eastman Kodak	5,710
Glen	3,000
Gen Motors	2,940
Shawmut Tech	2,820
Procter	2,780
United Inc	2,750
QCP Inc	2,720
Ford Motor	2,620

**CANADA  
TORONTO**

Metcalf & Egan Corporation	
-------------------------------	--

**MONTREAL** Portfolio

Rise in value of all indices  
Composites and Metals -  
Industries plus Utilities, P-  
day's highs and lows are  
reflected in actual day's  
index has reached during  
recalculation.

[illegible][illegible][illegible][illegible]

4. *Conclusions*

[illegible]

292.90 (214)	196.00 (134)				
199.57 (138)	186.00 (274)				
198.37 (179)	129.00 (84)				
319.95 (670)	284.10 (531)				
398.00 (507)	776.00 (51)				
473.00 (67)	633.00 (106)				
77.25 (56)	605.55 (652)				
304.00 (309)	215.00 (47)				
1305.10 (158)	679.10 (201)				
107.00 (206)	594.00 (117)				
954.70 (254)	678.70 (117)				
591.20 (57)	2038.45 (61)				
665.20 (55)	810.00 (125)				
665.20 (55)	466.00 (134)				
1132.10 (158)	925.70 (53)				
Estimated at 15.00 GWT.					
MCHL, Ene Top-100, 5000 Ounces and 1000- -5000 (4) Chemical (4) Miscellaneous					
19	654				
Percent Overhead	7.10				
Percent Freight	1.50				
Percent Insurance	1.15				
Percent Sales	1.50				
Percent Tax	3.71				
Percent Total	1.00				
Percent Shipping	1.00				
Percent Handling	4.00				
Percent Storage	1.00				
Percent Packing	1.00				

[illegible][illegible][illegible]

-30	<b>AUSTRIA</b>					<b>MALAYSIA</b>
-20	September 28	0.94	+0.00			September 28
-10	Akropolis	2.97	-1.00			Brunei
-5	Antares	2.26	+0.04			Hong Kong
0	Antares	2.26	+0.04			Hong Kong
+5	Antares	2.26	+0.04			Malaysia Ltd Ind
+10	Antares	2.26	+0.04			Malaysia Ltd Ind
+15	Antares	2.26	+0.04			Malaysia Ltd Ind
+20	Antares Light	4.4	+0.05			Malaysia Ltd Ind
+25	Antares Light	4.4	+0.05			Malaysia Ltd Ind
+30	Antares	2.26	+0.04			Malaysia Ltd Ind
+35	Antares	2.26	+0.04			Malaysia Ltd Ind
+40	Antares	2.26	+0.04			Malaysia Ltd Ind
+45	Antares	2.26	+0.04			Malaysia Ltd Ind
+50	Antares	2.26	+0.04			Malaysia Ltd Ind
+55	Antares	2.26	+0.04			Malaysia Ltd Ind
+60	Antares	2.26	+0.04			Malaysia Ltd Ind
+65	Antares	2.26	+0.04			Malaysia Ltd Ind
+70	Antares	2.26	+0.04			Malaysia Ltd Ind
+75	Antares	2.26	+0.04			Malaysia Ltd Ind
+80	Antares	2.26	+0.04			Malaysia Ltd Ind
+85	Antares	2.26	+0.04			Malaysia Ltd Ind
+90	Antares	2.26	+0.04			Malaysia Ltd Ind
+95	Antares	2.26	+0.04			Malaysia Ltd Ind
+100	Antares	2.26	+0.04			Malaysia Ltd Ind
+105	Antares	2.26	+0.04			Malaysia Ltd Ind
+110	Antares	2.26	+0.04			Malaysia Ltd Ind
+115	Antares	2.26	+0.04			Malaysia Ltd Ind
+120	Antares	2.26	+0.04			Malaysia Ltd Ind
+125	Antares	2.26	+0.04			Malaysia Ltd Ind
+130	Antares	2.26	+0.04			Malaysia Ltd Ind
+135	Antares	2.26	+0.04			Malaysia Ltd Ind
+140	Antares	2.26	+0.04			Malaysia Ltd Ind
+145	Antares	2.26	+0.04			Malaysia Ltd Ind
+150	Antares	2.26	+0.04			Malaysia Ltd Ind
+155	Antares	2.26	+0.04			Malaysia Ltd Ind
+160	Antares	2.26	+0.04			Malaysia Ltd Ind
+165	Antares	2.26	+0.04			Malaysia Ltd Ind
+170	Antares	2.26	+0.04			Malaysia Ltd Ind
+175	Antares	2.26	+0.04			Malaysia Ltd Ind
+180	Antares	2.26	+0.04			Malaysia Ltd Ind
+185	Antares	2.26	+0.04			Malaysia Ltd Ind
+190	Antares	2.26	+0.04			Malaysia Ltd Ind
+195	Antares	2.26	+0.04			Malaysia Ltd Ind
+200	Antares	2.2				

54	1.50
61	1.25
36	1.50
21.75	
0.50	
61	1.25
55.75	1.25
25	1.50
25	1.50
17.10hd	1.50
85	1.25
70	1.00
12.50	1.00
36	1.25
20.50hd	1.25
90.26	1.75
38.25	1.25
21	1.25
30d	1.25
10.75	1.25
121	1.00
95	1.00

---

00	
17.26	1.50
2.75	1.00
2.02	1.00
7.20	1.25
3.42	1.00
11.82	1.19
3.49	1.00
10.70hd	1.00
4.87	1.10
2.25hd	1.00
2.52	1.00
2.90	1.00
1.49	1.00
1.11	1.01
2.74	1.10
2.72	1.04
2.79	1.00
3.38hd	1.00
1.98	1.00
3.25	1.00
0.90	1.00
3.43hd	1.03
4.11	1.00
6.58	1.00
2.28	1.00
3.30	1.01
1.46	1.00
3.25	1.00
2.20	1.02
2.60	1.00
7.20	1.00
2.14	1.01
1.87	1.00

[illegible]



WORLD STOCK MARKETS

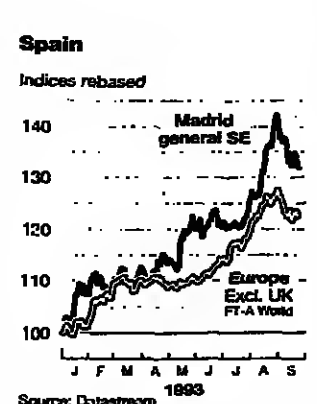
# AMERICA Dow unmoved by data, bond price gains

**Wall Street**  
GOOD economic news and fresh gains in bond prices failed to lift US equity markets yesterday, and stocks traded close to opening values throughout the morning session, writes Patrick Horsvorn in New York.  
At 1pm, the Dow Jones Industrial Average was down 8.38 at 3,831.37. The more broadly based Standard & Poor's 500 was down 0.72 at 457.02, while the Amex composite was up 0.85 at 483.56, and the Nasdaq composite up 0.04 at 752.30. Trading volume on the NYSE was 151m shares by 1pm.  
The markets ended a volatile week - one dominated by political turmoil in Russia and the debate over healthcare reform at home - in subdued fashion. Prices firmed across the board at the opening, primarily in reaction to some rare positive economic news. The commerce department announced that durable goods orders rose by 2.0 per cent in August, a higher increase than expected by Wall Street analysts who had forecast a rise in orders of about 1.5 per cent.  
The durable goods figures, however, are notoriously unreliable, so any positive impact they had on equities was limited. By mid-morning, blue chip forecasts had eased back into negative territory. Investors ignored fresh gains on overseas markets - Tokyo, Paris and London were all higher - and on the US bond market which, after a week of big losses, has now rallied for three straight days. In early afternoon trading, the benchmark 30-year government bond was up 1/8 at 102 1/2, yielding 6.658 per cent.  
Among individual stocks, cyclical stocks remained under pressure because of concern about the economy. General Electric slipped 3/8 to \$35 1/2, International Paper eased 3/4

# Tough budget to put muscle into Madrid

Tom Burns says that the government attack on public spending should be good for growth stocks

A restrictive 1994 budget approved in cabinet yesterday is likely to inject new muscle into the Spanish stock market. Investors have received a very clear signal that the government is going to tackle public spending seriously, and this implies an upgrade for quoted companies with good earnings prospects.  
"In the mid-term the Bolsa has only one direction to move and that is up," says Mr Juan Bastos, managing director of the Madrid stockbrokers, Ibersecurities. Echoing a view shared widely among senior Madrid professionals, Mr Bastos believes that domestic interest rates will come down again, perhaps by another half point before the end of the year. At worst, rates will be a neutral factor for the foreseeable future.  
It was expectations of falling rates, following the collapse of the European Monetary System's exchange rate mechanism, that pushed the Bolsa's general index above the 300 mark in August. Early this month the Bank of Spain delivered a bold half a point cut to bring its key intervention rate down to 10 per cent, the lowest since the early 1980s.  
A feeling of fatigue, brought on by so much previous discount enthusiasm, stopped the rally subsequently but the brokers hope that they have found a good support base at 280. Barring worsening developments in Moscow and the export of Russian-bred bearishness to the global markets, it would seem that the Bolsa has corrected itself.  
Looking ahead, analysts see share price prospects as domestic institutions switch from lower yielding fixed income stocks into equities. At present, Spanish funds have some Ptas20,000 in their coffers, and a paltry Ptas500 invested in stocks. A switch of just 1 per cent of these funds to Ptas500, into equities would represent a week's trading on the Bolsa.  
Yesterday, the index fell 1.05 to 281.35, taking its decline on the week to 1.3 per cent. The



Source: Datastream

expectation is that it will remain within a 280-290 range over the short term and that, sooner rather than later, an "earnings rally" will take over from the previous "interest rate rally". The Madrid securities house Benito y Monjardin is forecasting an average increase in profits for major quoted companies of 11 per cent for 1994.  
Such an outlook suggests what Benito y Monjardin calls

a dichotomy in its strategy recommendations for Spain. Equity investment could be reduced short term because of the market's present exhaustion but still should not be lost of the basic upward movement that lies ahead.  
"Spain, at present, is worth a 10 per cent correction," says Mr Bastos of Ibersecurities. "Anything more than that, and you should sell."  
The cabinet's approval of the 1994 budget will almost certainly firm up the bullish expectations. The market was waiting anxiously for the good news, that the government intends to be tough.  
There are several business friendly features to the new budget, such as a set of fiscal incentives for investments, for the creation of new companies and for exports, but its single most important aspect is a planned 1994 wage freeze for public sector employees.  
The wage freeze, which is coupled to an undertaking not to enlarge the number of public employees, sets the scene

for a much more ambitious government target which involves a three-year agreement with the unions on strict salary moderation.  
Salary rises negotiated in collective bargaining agreements in the first half of this year were in the order of 6 per cent, a level 1.5 per cent above the inter-annual inflation rate. In the new climate of a public sector wage freeze, the private sector will be expected to contain salary increases to below 3 per cent next year.  
Potentially, the outlook for companies in Spain could not be better. They have the cheapest borrowing costs in years and good reason to expect further rate cuts; they have the benefits of three devaluations in the past year which have allowed the peseta to stabilise finally after depreciating by more than 30 per cent against most main currencies; they have a clear prospect of sharply reduced labour costs next year and, possibly, through to 1996.

The missing link in such an outlook is of course a vital one - Spain's continuing recession. The latest serious data in this respect came with an August report by the Bank of Spain on the domestic economy in the second quarter of the year. The central bank verified that the deep recession had troughed although there was no sign of the beginning of a recovery.  
In this context the early September rate cut by the Bank of Spain was very encouraging, undertaken independently of the Bundesbank (which kept its intervention unchanged) and well ahead of the cabinet's decision to stick to its austerity programme.  
The cut indicated that the monetary authorities believed that the conditions were right to kick-start the economy. There is therefore every reason to believe that in the months ahead, as the budget passes through its parliamentary process and austerity begins to bite, further cuts will be in the offing.

# EUROPE Paris up 1.7% on interest rate hopes, Frankfurt falls

IN MOST cases, bourses approached the weekend with equanimity. Frankfurt's worries about what could happen in Russia may have reflected the precariousness of trading positions taken on Monday and Tuesday, writes Our Markets Staff.  
PARIS rose in expectation of an imminent cut in interest rates after the authorities eased the overnight rate. On the first day of the new account, the CAC-40 index added 35.07 or 1.7 per cent to 2,092.60, slightly lower on the week. Turnover was strong at FF4.5bn.  
Lafarge Coppée rose steadily in early trading to an intraday high of FF411.90 on overnight news that a German group had emerged as bidder for CBR, the Belgian cement manufacturer. However, the shares later came off to close FF407.70.  
Crédit Lyonnais CI's rose

FT-SE Actuaries' Share Indices

September 24	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Euroshare 100	1276.43	1275.13	1275.70	1275.58	1274.08	1274.08	1274.43	1274.55
FT-SE Euroshare 200	1347.03	1346.45	1346.05	1345.37	1345.37	1345.37	1345.37	1345.37

Source: Datastream

year-on-year rise of 3.8 per cent, down from August's 4.0 per cent. After hours, the Ibis indicated DAX index improved a little to close at 1,890.42.  
Cyclical hit particularly hard yesterday included Daimler, Metallgesellschaft, and Preussag, down DM18.00 to DM173.00, DM11.00 to DM345.00 and DM13.50 to DM395.00.  
Among the few winners, Heidelberg Zement celebrated its bid for CBR of Belgium, coming back from suspension DM55 higher at DM143; and Lufthansa lost just 40 pf to DM152.50 on reports from Washington that the US and Germany had reached a tentative air traffic pact.  
AMSTERDAM's CBS Tendency index finished off 0.3 at 123.8, little changed on the week. Akzo dipped F1.20 to F1.68.70 on local press reports that its textiles division might announce a loss when the group announces third-quarter

results next month.  
Merrill Lynch this week noted that Akzo's longer-term prospects remain good helped by aggressive cost-cutting and restructuring measures adopted by the management. The brokers concluded that the share price should respond well to economic recovery when it comes and forecast earnings of F1.35 per share "near the peak of the recovery cycle".  
ZURICH saw strong foreign demand for chemicals issues as the SMI index rose 20.1 to 2,445.9 for a 2.6 per cent gain on the week.  
Roche certificates, continuing to benefit from analysts' buy recommendations, rose SF155 or 3 per cent to SF1,505. Sandoz followed the lead, rising SF120 to SF1,455.  
MILAN was worried about forthcoming results and the Comit index shed 6.29 to 686.51 in quiet trading, a weekly fall

of 1.6 per cent. Olivetti, expected to announce a big loss after the market closed, shed L16 to L1,530.  
With half-yearly figures due in the coming week, Fiat L85 to L85.50 and Benetton L35 to L23.582. Bicking the trend, BCI put on L67 at L4,885.  
Generally, the insurer, gave up an early gain to finish L180 lower at L39,450 in response to Thursday's announcement of a fall in first-half pre-tax profits but a 14 per cent increase in premium income. However, Mr Simon Rudolph of Morgan Stanley in London described the results as encouraging, noting that last year's pre-tax figures had been inflated by net realised capital gains.  
ISTANBUL finally broke through the 15,000 barrier with the composite index rising 160.1 to 15,046.7, a 4 per cent gain on the week. Turnover was TL1,400bn after Thursday's record TL1,800bn.

# ASIA PACIFIC Sydney, Hong Kong reflect Olympic vote

**Tokyo**  
TOKYO rebounded as it returned to work after Thursday's holiday, but stocks finished off their highs in subdued conditions on the last trading day for September delivery, writes Our Markets Staff.  
The 225-share Nikkei average ended 132.91 higher at 20,307.53, a 0.4 per cent fall on the week. The index started at its low of 20,225.82 and rose to an intraday high of 20,324.63 shortly before midday.  
Volume was around 300m shares, down from 310.66m on Wednesday. Advances outnumbered declines by 571 to 464, with 152 issues unchanged.  
The Topix index finished 3.24 higher at 1,813.36, while in London, the ISE/Nikkei index rose 0.3 to 1,547.7.  
The market opened higher on index-linked buying by investment trusts and on weakening concerns about the political situation in Russia. Index-linked arbitrage buying was triggered by firmness

in Nikkei futures following an overnight rise in Chicago.  
Pharmaceuticals ended higher on expectations that new products would be launched at forthcoming annual seminars on medicines. Kissei Pharmaceutical rose Y150 to Y6,080, Ono Pharmaceuticals Y140 to Y6,010, and Sanofi Y50 to Y2,940. Many pharmaceutical manufacturers are also expecting good interim and full-year profits in spite of the economic slump.  
Expectations of government deregulation and income-tax cuts pushed up the retailers. Seven-Eleven Japan was Y150 higher at Y8,650, Aoyama Trading advanced Y150 to Y8,200 and Aoki International ended Y120 higher at Y8,390.  
**Roundup**  
SYDNEY's success in being awarded the 2000 Olympic Games moved both Australian and Hong Kong stocks.  
AUSTRALIA's property development and construction stocks led the All Ordinaries index higher. It hit a high of

1,960.2 in early trade, but drifted off to end 17.9 up at 1,946.5, 1.1 per cent higher on the week, as turnover more than doubled from A\$435.2m to A\$794.2m.  
The contractor, Leighton Holdings, ended 23 cents or 11 per cent higher at A\$2.32 after a high of A\$2.55 and Leighton Leasing rose 10 cents, or 1.1 per cent, to A\$1.75. The hotel group, AAPC, rose 3 cents to A\$7.5, and Sydney Aquarium by 5 cents to A\$1.70.  
HONG KONG offered a mirror image, the Hang Seng index closing just 55.95 lower at 7,525.05, 1.4 per cent better on the week, after plunging over 150 points in a lull of 7,422.65 early in the day. Turnover slipped from HK\$3.44bn to HK\$3.08bn.  
Recently strong China-related stocks led the losers, with consumer related issues especially hard hit. Taingtao Brewery dropped 35 cents to HK\$5.75 while China Travel lost 20 cents to HK\$2.20.  
SINGAPORE fell back on selected selling of stocks by

foreign institutions. The Straits Times Industrial Index closed down 11.78 at 1,983.25, a week's fall of 1.25 per cent.  
CarnaudMetalbox Asia continued to decline after its weak interim results on Wednesday, shedding 60 cents to S\$7.50, in spite of announcing a new can-making venture in China.  
KUALA LUMPUR rose in brisk trading with the composite index adding 7.54 to 537.87, a week's gain of 2 per cent.  
MANILA added to Thursday's rise helped by strong performances from Philippine Long Distance Telephone and San Miguel. The composite index gained 15.32 to 1,983.52, down 2 per cent on the week. PLDT climbed to pesos to 1,350 pesos and San Miguel 5 pesos to 153 pesos. Turnover was \$33.6m pesos.  
BOMBAY weakened on reports that carry forward costs may be raised. The BSE index fell 36.38 to 2,722.77, for a week's decline of 1.5 per cent.  
NEW ZEALAND's initial rise faded later leaving the NZSE-40 capital index 4.68 higher at 1,932.17.

# LONDON SHARE SERVICE

BRITISH FUNDS - Cont				
	Yield	Red.	Notes	Price
13.59	6.85		Health 2003	125.4
8.42	5.55		Health 1995-2001-4	120.4
8.42	5.55		Health 1995-2001-4	79.2
12.91	5.46		Health 2004	117.5
12.91	5.46		Health 2004	117.5
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79	5.39		Health 2005-6	104.4
11.79				



**LONDON SHARE SERVICE****INVESTMENT TRUSTS - Con**[illegible]



LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Trust Name	Price	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602
------------	-------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----



**By Philip Stephens and David Goodhart**

**Smith prepares to face a powerful acronym -----Page 8**

Mr Bill Morris, general secretary of the TGWU, also said there would be no "horse-trading, no smoke-filled rooms, and no nudge nudge" on one-member, one-vote. But the TGWU may indirectly aid the Smith camp by not backing any motion against one-member, one-vote except its own, in which case all such motions may fail, making it easier for Mr Smith to impose a solution.

On economic policy, the deci-

Mr Smith's aides said the initial returns from the constituency parties on the one-member, one-vote plan showed that he could count on the support of around two-thirds of their votes after Wednesday's debate. The constituencies, however, hold only 30 per cent of the overall votes at conference, with the remainder held by unions.

The Labour leader appears determined not to allow the issue to provoke a public slanging match with the leading union leaders.

**By Philip Rawstone**

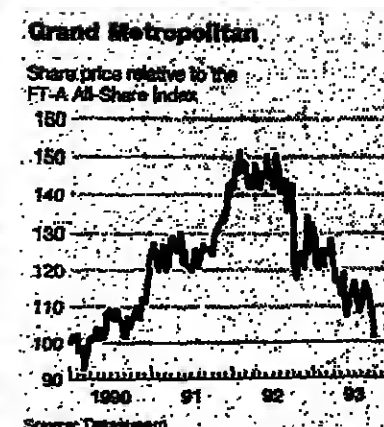
He will give up his executive duties to become a non-executive deputy chairman, with special responsibility for North American affairs. He will continue to receive his current salary.

Mr Bull said: "I see it as my role to lead GrandMet closer to the markets."

Mr David Nash, finance director, will take over in December as head of the food and international retailing operations.

London stocks, Page 17  
From drinks to the  
driving seat, Page 13  
See Lex

## FT-SE Index: 3005.2 (+3.9)



at structural change, such as the acquisition of Pillsbury. The implication of yesterday's announcement is that GrandMet now wants to concentrate on organic growth, but first it has to jump the hurdle of selling unwanted businesses.

Grand Metropolitan will doubtless receive many plaudits for its decision to separate the roles of chairman and chief executive. It is gratifying, too, to see a senior executive withdraw gracefully to the sidelines without any immediate sign of an enormous Glaxo-style pay-off. To stop here, though, may be to miss the point. The separation of roles is less significant than it looks. It does not involve new blood, and the ebullient Sir Allen Sheppard will still sit on the executive committee while becoming non-executive chairman.

A deeper question is raised by the choice of Mr George Bull as chief executive when Mr Ian Martin had so obviously been groomed for the role. Yesterday's 4 per cent fall in GrandMet's share price reflected the suspicion

Willis Corroon is not the first insurance broker to admit that its talents do not extend to underwriting. The plan to offer a majority stake in Gryphon, its US property and casualty business, should allow Willis to cut debt and concentrate on what it does best. It must be taken as a mark of the company's faith in the recovery potential of broking that it is prepared to shed a profitable subsidiary at this stage of the cycle.

Floating the business on Wall Street is expected to net more than a trade sale. US investors are especially eager to back insurance ventures with an international flavour. At least two of the reinsurance companies established

**By David Lascelles,  
Resources Editor**

Sir James's forceful demands for the break-up of British Gas are thought to have influenced the Monopolies and Mergers Commission's recent decision to recommend the split of the company into two by 1997, followed by the abolition of the monopoly. But he said yesterday that

Sir James said he had not changed his position. However, his comments are likely to find an echo in the Department of Trade and Industry which must decide whether to accept the MMC's recommendations. Department officials have said they are more intent on abolishing the monopoly than on breaking up British Gas.

However, with the monopoly inquiry now complete, she will not have to adopt the stormy tactics used by Sir James to combat British Gas. Mr Cedric Brown, British Gas's chief executive, said: "We welcome the appointment of Clare Spottiswoode and the opportunity to form a constructive working relationship."

**Businesswoman to watchdog.**  
Page 6

## Continued from Page 1

Mr Aman Tuleyev, leader of the Kuzbass council, claimed that 24 of the 68 councils had defied Mr Yeltsin and would halt oil and gas exports and refuse to pay taxes.

Echoing Gen Rutskoi and other parliamentary leaders, Mr Tuleyev called for simultaneous elections of parliament and president on December 11 and 12 - the

date set by Mr Yeltsin for elections for the lower house of a new parliament.

Mr Yeltsin has insisted on parliamentary elections first, followed by presidential elections next June to avoid a vacuum of power, and also to control the parliamentary process in its early stages. Presidential aides said last night that regions that defied the president's decree to hold elections would be forced to have local elections and would have presidential rule imposed.

## Continued from Page 1

He called for a new road to Emu, based on member states adopting tough price stability and monetary growth targets in common. If applying these targets led to some countries being able to cut their interest rates, even at the expense of a fall in the value of their currencies inside the ERM, this should not

be deemed a competitive devaluation, he argued.

Instead, he suggested that the Maastricht treaty's provisions for EC finance ministers to set down "broad guidelines" for the conduct of economic and monetary policies could underpin such a move. "Such an approach will give member states a framework within which they can better respond to their own economic needs. But it will be a step towards, not away from, the goal of a single currency."

A frontal system associated with a low pressure area over the Czech Republic which has been responsible for widespread flooding in southern France, will move over central Europe. As a result, there will be heavy rain over Denmark, Germany and the Alps.

France and the Benelux countries will be rather cloudy with lingering rain in eastern regions.

The United Kingdom will be mainly cloudy with some outbreaks of rain or showers. However, in south-east England there will be sunny spells after morning fog. Thundery showers will develop over the western Balkans.

The eastern Balkans, Greece, Turkey and eastern Spain will be sunny and dry with readings of 25C-30C.

Low pressure over Denmark will result in widespread rain over southern Scandinavia tomorrow. High pressure over northern Scandinavia will ensure fair but cold conditions. Warm and sunny conditions over south-eastern Europe will be pushed further to the east. A ridge of high pressure over the Atlantic will bring temporarily drier weather over western Europe, but new depressions between Greenland and Iceland will move towards the region next week.

	Maximum	Belfast	shower	13
	Coblenz	Belgrade	cloudy	29
Abu Dhabi	sun	Berlin	thund	18
Accra	thund	Bombaye	fair	31
Algiers	fair	Bogota	shower	18
Amsterdam	cloudy	Bombay	shower	30
Athens	sun	Brussels	rain	14
B. Aires	fair	Budapest	thund	24
B.Hari	cloudy	C.hagen	rain	15
Bangkok	cloudy	Cairo	sun	32
Barcelona	fair	Cape Town	cloudy	19
Beijing	fair	Caracas	fair	27

Quality flights made in  
 **Lufthansa**  
German Airlines

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Metro Consult of the Netherlands

Cardiff	cloudy	14	Zankfurt	rain	13	Melita	rain	28	Rio	rain	cloudy	24
Chicago	cloudy	17	Gensha	rain	13	Manchester	rain	28	Riyth	sun	24	
Dallas	rain	11	Gibraltar	fair	25	Maria	shower	32	Rome	fair	24	
D' Salazam	fair	29	Glasgow	cloudy	14	Melbourne	fair	15	S. Fisco	sun	31	
Dakar	shower	29	Hamburg	rain	13	Medina City	shower	18	Seoul	sun	23	
Dahlat	thund	32	Helsinki	cloudy	29	Mexico	thund	20	Singapore	cloudy	31	
Delhi	fair	34	Hong Kong	cloudy	29	Wlad	thund	20	Singapore	rain	14	
Dubai	sun	37	Honolulu	fair	31	Montreal	cloudy	20	Strasbourg	rain	19	
Dublin	cloudy	24	Istanbul	sun	25	Moscow	cloudy	8	Sydney	fair	11	
Dubrovnik	shower	24	Jakarta	cloudy	16	Munich	rain	15	Taipei	sun	23	
Edinburgh	rain	24	Jakarta	rain	25	Nairobi	fair	28	Tel Avver	sun	30	
Faro	fair	25	Kuwait	sun	38	Naples	fair	24	Tokyo	cloudy	21	
			L. Angeles	sun	31	Nassau	fair	32	Toronto	cloudy	21	
			Las Palmas	fair	27	New York	thund	24	Tunis	fair	28	
			Lima	cloudy	18	Nice	sun	27	Vancouver	sun	18	
			Lisbon	fair	22	Nicosia	cloudy	21	Venice	thund	22	
			London	fair	16	Oslo	rain	17	Vienna	sun	21	
			Lucembourg	rain	11	Paris	rain	17	Warsaw	thund	21	
			Lyon	rain	14	Perth	rain	19	Washington	thund	27	
			Madrid	fair	23	Prague	thund	18	Wellington	shower	19	
			Medina	fair	23	Rangoon	cloudy	20	Winnipeg	shower	10	
			Malaga	fair	24	Prayag	fair	9	Yokohama	sun	24	

## A large, stylized coin with the text "THE STEELING DISTRIBUTION FUND" and "10%" on it, with two smaller coins above it. The coin is metallic and has a textured surface. The text "THE STEELING DISTRIBUTION FUND" is arched across the top, and "10%" is in the center. The word "SPONSOR" is partially visible at the bottom. Two smaller coins are positioned above the main coin, one to the left and one to the right.

Falling interest rates may be making you think twice about where to invest for income.

So think big. With the new Hypo Foreign & Colonial Sterling Distribution Fund.

This Luxembourg-based fund – part of the Hypo Foreign & Colonial Portfolios Fund SICAV – is currently paying 10% gross.\*

An innovative investment tech-

For further information, phone the number below stating where you saw the advertisement. Alternatively, post the coupon today.

Please send me information on  
Hypo Foreign & Colonial Sterling Distribution Fund.  
Hypo Foreign & Colonial (Marketing) Ltd.  
PO Box 2, Twyford, Berkshire RG10 0NW

Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

0734 321321



Hypo Foreign & Colonial

Issued under approval by Hays Fentiss & Colonial (Marketing) Ltd, an appointed representative of Foreign & Colonial Management Ltd, a member of IMMO, and Colonial UK Management Ltd, a member of IMMO, LAUTRO and AUTL. Past performance is not a guide to the future. The value of units and the income from them can fall as well as rise and investors may not get back the amount invested. An initial charge of 5% of the Net Asset Value price of the fund may be charged by the Manager on the issue of shares. Accordingly an investor who withdraws from his investment in the early years may not get back the full amount invested.

Information of the past performance of this fund is provided by The Financial Times Ltd, Number One Southbank House, London SE1 9HL. O The Financial Times Ltd, 1997. All rights reserved. This information is provided for your information only and does not constitute an offer of any investment. The information is provided for your information only and does not constitute an offer of any investment. The information is provided for your information only and does not constitute an offer of any investment.

ACTUARIES SHARE INDICES, "IT-ACTUARIES WORLD INDICES", and "FINSTAT" are all Trade Marks and Service Marks of The Financial Times Group.



# Residential Property

SECTION III

A SPECIAL SUPPLEMENT

## Why estate agents long for meaty bones

When confidence blossoms the housing market will burst into life, predicts Gerald Cadogan, but big price rises are unlikely

**M**OTHER HUBBARD'S bare, boneless cupboard offered no joy for her or her dog. Estate agents sympathise. They long for more meaty bones to throw to the many would-be buyers on their lists, who have to continue living in rented houses or flats, sustained by the hope that eventually vendors will find the same confidence to sell as they show by trying to buy.

When that confidence blossoms, a true trading market will burst into life. But it is far from certain that it will bring large price increases from today's "realistic" post-1980s levels.

It is an odd situation. Encouraging signs abound. The UK appears to be the first country in the EC to be coming out of recession and, since last autumn, foreigners have shown their confidence - and taken advantage of the devaluation of the pound - by buying in London. For British owners and buyers, lower interest rates lighten the mortgage burden and houses are more affordable than for many years. But reluctant vendors are frustrating these strong stimuli.

Even the stock market's sharp rise has little effect, however much it frees investors from shares that plummeted on an unexpected profits warning the day after they were bought, and releases cash for bearish sellers who think the rise will not hold.

Have shares affected houses? Not yet. From June 1989 to June 1993 agents Savills' index of prime country houses (castles to cottages) has markedly underperformed the FT-Actuaries All Share index, although in the period 1979-1989 the two kept pace with growth of 16.2 per cent compound (houses) and 16.1 per cent (shares). For the whole period 1979-1993 the



The asking price for Aldingbourne House in Chichester, West Sussex, sold by Humberts, was £980,000. The market is still short of top-class homes

figures work out at 9 per cent compound (houses) and 13.2 per cent (shares), or more now with the stock market rising sharply.

Since the general election in April 1992 it has been a fractious market across the UK, trying to settle but changing tack from month to month. John Major's return produced an optimism which lasted only a few weeks. Vendors in April and May last year were lucky. Then came the season of green shoots, nipped whenever they

budded. Prices continued down - as did buying once stamp duty relief for houses up to £250,000 had stopped. There was a slight upturn in September, until Black Wednesday. That was the nadir.

As autumn became winter, real changes began. Foreign buyers came to London, and in the shires British farmers realised that, overnight, devaluation had turned farming to profit. Collecting more "green pounds" from EC support payments originally expressed in

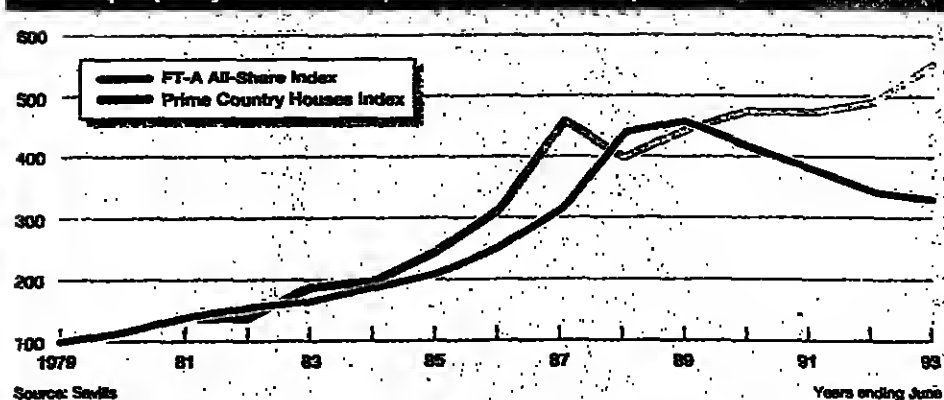
Ecus, they started buying any fields offered for sale, at rock-bottom prices.

At the beginning of this year, good news reached the country, often hard of hearing, that there were London buyers and that interest rates had come down. Agents reported better winter business than for many years, and looked forward to an upswing. It did not happen. Completed sales measured by the Corporate Estate Agents Property Index peaked in March. Since it has been a

dance of 1½ steps forward, pirouette, and one step back, to judge from the up and down news and views of the construction industry and the sometimes conflicting Halifax and Nationwide property indices.

Mild optimism prevails, which would be much stronger if more good houses were available for sale. A few houses in the country have sold for more than their asking prices when buyers were competing, as happened notably with Tennyson's

Prime property and share price indices compared



Aldworth House, in Surrey, offered at more than £800,000 and sold by "best and final" offers at more than £1m. Seven bidders were in the ring. It helped that it is in Surrey which was one of the first counties to suffer in the property downturn and is now recovering ahead of the rest of the country.

The reverse is that there are still houses which are having their asking prices cut, because they were too high in the first place, and houses where agents propose a realistic 1990s price which the vendor rejects as it does not meet his 1980s-conditioned expectations. It makes it hard to sell the house, but the vendor may strike lucky. If so, he will be convinced he was right all along. An alternative that should be used more often is to have an auction with energetic marketing beforehand, thus ensuring that there are several bidders in the room.

Prime country house prices showed a slight rise in the first six months of 1993, Yolande Barnes, head of Savills' residential research, says. An average increase of 2.2 per cent reversed a downward trend that had lasted 3½ years. Values that were at mid-1987 lev-

els at the beginning of 1993 are now back to autumn-1987 levels. But it would take two years of boom growth before they reach mid-1988 prices, when Savills' index had jumped 36.2 per cent from June 1987, or the peak of mid-1989 when it was up a further 2.6 per cent.

Barnes expects the recovery to continue hesitant, even in the south east, and be patchy in the north and Scotland, where prices fell less and so have less to recover. In Devon, Tim Burrage, of agent Stags, reports that "many properties are selling for a good 10 per cent more than they would have made at the end of last year." Barnes says that, if political and economic conditions are right, prices should strengthen appreciably in 1994, as Tony Snarey and Bill McClintock must expect in buying the Cornerstone chain of estate agents from Abbey National. Earlier in the summer Snarey, went into association with Humberts in Lincolnshire and adjoining counties.

In the meantime the market is soggy, as Mary Still, of relocation agent Stacks, put it. Vendors must jump in if prices are to find firm ground. Why do they hold back? Waiting

until the market goes up is a large part of the story. Once bitten by negative equity, if they bought their house three to six years ago, they are now twice shy about committing themselves again.

If you must move, but have negative equity, be brave. Talk to your lender. There are ways to rearrange loans. If the price of your present house has come down, so probably has the one you want to move to. You may find your pounds buying a room or two more and a larger garden than they could in 1988.

Other worries may be more inhibiting. How safe is your job? Are we out of recession? Does the government really know what to do? Is it in charge? Think "no" once, and "no" again until the question that needs "yes" wakes you in the middle of the night. Is it stupid to chance it now? Yes, yes, yes resounds in your head. But if the market can shift gear this autumn, house prices will probably go up a little and more people will be able to live where they wish. That will mean plenty of business for the agents and make Snarey's purchase of Cornerstone look singularly well-timed.



Shropshire/Chwyd Border Shrewsbury 17 miles, Chester 30 miles, Crewe 23 miles. A fine Grade II\* Georgian house of considerable merit in rural location. Pillared reception hall, 5 reception rooms, 9 bedrooms, 4 bathrooms. Basement - military accommodation. Garden. About 3.6 acres. Region £298,000. Chester office Tel: (0244) 320747. Ref: 1238/244



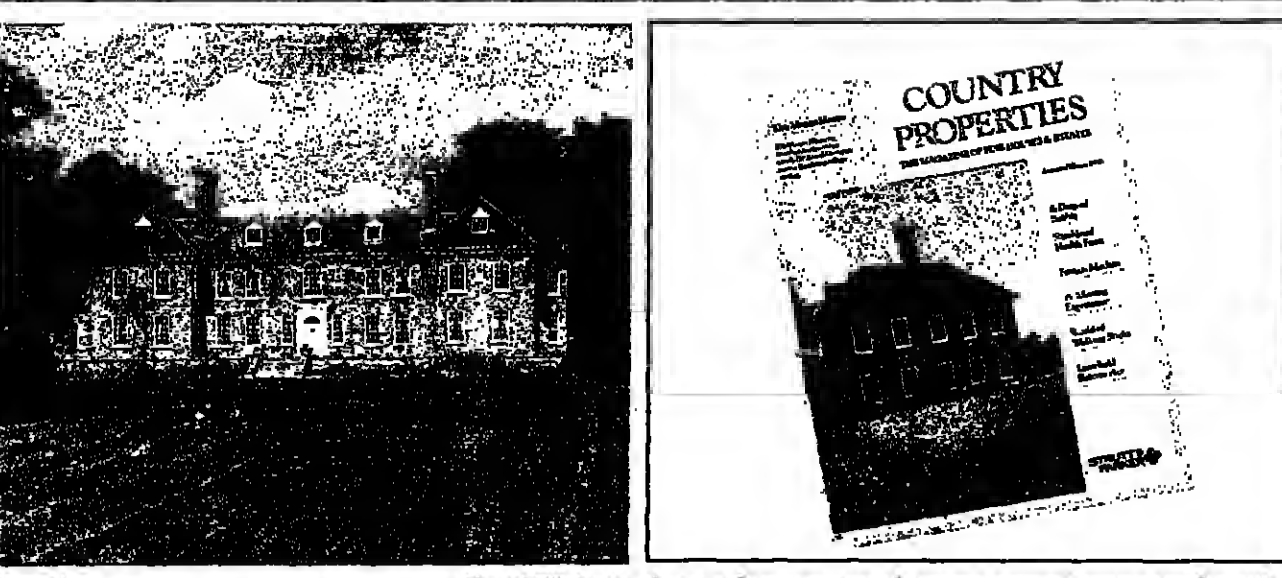
Buckinghamshire - Horton Leighton Buzzard 4½ miles, Checkendon 2 miles. (Bus to 45 minutes), M1 (J11) 7 miles. An attractive moated house, in outstanding garden. 4 reception, conservatory, master suite, 3 bedrooms, 2 bathrooms, 2 secondary bedrooms and bathroom. Swimming pool, tennis court, garden. Pair of cottages. Pudding, paddocks, 11.4 acres. About 147 acres. As a whole. Joint Sole Agents: Cole Plant & Partners, Epsom, Tel: (0442) 870444. Strutt & Parker London office Tel: 071 629 7282. Ref: 116/31/99



Kent - Leeds 1620 1 mile, Maidstone 5 miles. An outstanding example of Victorian Gothic architecture, with some rare Thomas Jefferies fireplace. Hall, 4 reception, conservatory, master suite, 4 further bedrooms, 2 bathrooms. Tower room, landscaped garden, orchard & paddock. About 5½ acres. Region £250,000. (Further land up to 20 acres and lodge with consent for conversion available in addition). Canterbury office Tel: (0227) 451123. Ref: 100/367



Kent - Uxcomb Maidstone 7 miles, Haslemere 3 miles, M20 3 miles. A late Georgian Venetian with Victorian additions in a picturesque setting. detached cottage. 3 reception, study, master bedroom with ensuite bathroom, 5 further bedrooms, 2 bathrooms. Cottage. Mature garden, paddocks with stable block, woodland. About 18 acres. Region £335,000. Canterbury office Tel: (0227) 451123. Ref: 100/366



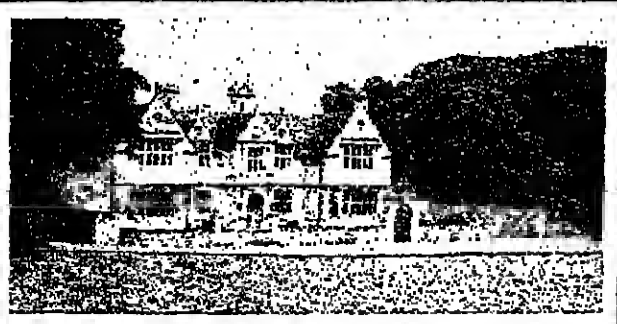
London Residential. 66 Sloane Street London SW1X 9SH. Tel: 071-235 9959. Fax: 071-245 1230.



Eaton Square, SW1 A magnificent raised ground floor mansion on the favoured north side of the square with private garden and lock up garage for two cars. 34 bedrooms, 2 bathrooms, 2 shower rooms, drawing room, dining room, study/bedroom 4, kitchen/breakfast room. Leasehold 24 years. £1,400,000. Ref: 58559



Eaton Square, SW1 A fabulous apartment stretching over some 3,000 square feet and spanning two white stucco period buildings on the north side of the square. 5 bedrooms, 5 bathrooms, 2 shower rooms, drawing room, dining room, kitchen/breakfast room, butler's pantry, cloakroom. Leasehold 57½ years. J.S.A. Knight Frank & Rutley. Tel: 071-824 5771. £1,350,000. Ref: 51102



Cambridgeshire - Stibbington Peterborough 8 miles, Stamford 7 miles. A Grade II Listed Jacobean Manor. Reception hall, 5 reception, Principally suite, 5 further bedrooms, 3 bathrooms, 3 secondary bedrooms. Flat. Scabbling, swimming pool, tennis court. Formal garden, paddocks and water meadows. River frontage. About 20 acres. Joint Agents: Savills, Stamford. Tel: (0780) 65222. Strutt & Parker Market Harborough office Tel: (0853) 433123. Ref: 116/31/97



West Yorkshire - Arthington Leeds City Centre 8 miles, Wetherby/A1 10 miles. Handsome Grade II Georgian house with spectacular views over the River Wharfe. 4 reception, billiard room, library, study, 7 bedrooms, 2 drawing rooms, 4 bathrooms. Gun room, 2 self-contained flats. 2 cottages and Gate Lodge. Outbuildings including stabling, garaging and stores, all in need of renovation. Walled gardens and grounds. Planning consent for 10 separate residential units. About 2½ acres. Harrogate office Tel: (0423) 561274. Ref: 100/31/30



Wiltshire - Nadder Valley Wilton 5½ miles, A303 (J4) 4½ miles, Salisbury 8½ miles. A Grade II Listed village house. Hall, 3 reception, master suite, 6 further bedrooms, 2 bathrooms. Outbuildings, swimming pool. Garden, vineyard (1 acre), paddocks. Lot 2 - plot and outbuilding with conversion potential. About 12 acres. As a whole or in 2 lots. Offers invited. Salisbury office Tel: (0222) 328741. Ref: 100/31/31



Lancashire - Ormskirk, Manchester 35 miles, Southport 7 miles, Preston 18 miles. Important Grade II house dating from the 12th Century. Hall, 3 reception, library, study, main bedroom with 2 ensuite bathrooms, 6 bedrooms with ensuite bathrooms, 3 attic rooms. Housekeeper's flat. Indoor swimming pool and sauna. 2 stable yards and grounds (1st. indoor school. Extensive outbuildings. 2 tennis courts and croquet lawns. Gardens, woodland and grounds. About 38½ acres. Harrogate office Tel: (0423) 561274. Ref: 100/31/32

13 Hill Street, Berkeley Square, London W1X 8DL. Tel: (071) 629 7282. Fax: (071) 409 2359.



• AUSTRALIA • BELGIUM • BOTSWANA • CHINA • FRANCE •  
• GERMANY • HONG KONG • INDONESIA • ITALY • JAPAN •

• MALAYSIA • NEW ZEALAND • NIGERIA • SINGAPORE • SPAIN  
• SWEDEN • UNITED STATES OF AMERICA • ZIMBABWE •



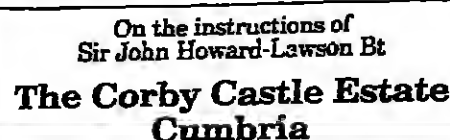
**Apply: Edinburgh 031-225 7105**



Apply: Tunbridge Wells (0892) 515035 or London 01-629 8111



Apply: Esher (0372) 464496 or London 071-629 8171  
JAH:JG



**A spectacular sporting estate**  
Grade I listed house. Entrance lodge.

Apply: Edinburgh 031-225 7105  
or London 071-629 8171



**About 3½ hectares (8½ acres)**



Apply: Hugo Skillington Immobilier Grimaud (010 33) 94 43 8979  
in association with Knight Frank & Rutley, London 071-629 8171  
(PDR/WPHS/116491)



**An exceptional country house  
at the very heart of French racing**

Contact: Patrick Dring  
London 071-629 8171



**Appy: Hugo Skillington Immobilier, Grimaud (010 33) 94 43 697**  
In association with Knight Frank & Rutley, London 071-629 8171



**Contact: Patrick Dring**  
**London 071-629 8171**



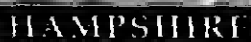
**Contact: Patrick Dring**  
**London 071-629 8171**



20 Hanover Square, London W1R 0AH

JOHN D WOOD & CO.

LONDON AND COUNTRY ESTATE AGENTS ESTABLISHED 18



**WINCHESTER OFFICE**



**FARNHAM OFFICE**  
0252 727115



**REGENTS PARK OFFICE**  
071-267 3267



Planting permission.  
About 1½ acres.



WIMBLEDON OFFICE  
081-944 7173

HEAD OFFICE  
26 CURZON STREET LONDON W1P 7AE  
TELEPHONE: 071 493 3106 / FAX SIMILAR 071 629 6021

COUNTRIES AND TERRITORIES OFFICES: CIRENCESTER, EARNHAM, REMINGTON, NEW  
LONDON OFFICES: BATTLES, CHESTER, FULHAM, KENSINGTON, MARYLEBONE, REIGHAM,  
HONG KONG, JERSEY, LIVERPOOL, MANCHESTER, LONDON, PARIS, ST. LOUIS.



## RESIDENTIAL PROPERTY - LONDON

# Foreigners sniff the bargains



No 3 Scarsdale Studios, in W8, £275,000 from John D. Wood



The Chantry, a grand Tudor-style house in Wimbledon, going for £2.2m



Lord Kitchener lived here: Phillimore Gardens, W8, on sale for £2.45m

**H**AVING LED the property revival since last autumn, London is still pulling ahead of the country market. Both markets suffer from a lack of good properties to sell and eager buyers becoming frustrated at the lack of choice. Will this imbalance of demand and supply in London translate into higher prices?

Yes, it is already doing so, but slowly. It is a long haul before they match 1989 levels. Last year when prices had fallen to mid-1980s levels, the devaluation of the pound brought foreign buyers, lower inflation rate and the likelihood of being first out of the recession were extra inducements, besides the perennial pleasure of having a London base.

Buying has continued busily this year. "Prices have hardened, with sale prices closer to asking prices," says Noel Flint, of Knight Frank & Rutley's Knightsbridge office. Yolande Barnes, head of Residential Research at Savills, puts the rise at 2.5 per cent in the second quarter of 1993, and at 4.4

per cent over January-June.

She sticks to her December 1992 prediction that the rise for prime flats and houses in central London will reach 10 to 15 per cent by June next year. She expects an increase of 12 per cent or more during 1994 as a whole, to bring prices back to spring 1988 levels in nominal terms. This bullish forecast carries a caution. The economy must carry on improving without "major political setbacks." And in 1995 it will need another 12 per cent growth to bring prices back to the 1989 plateau.

David Forbes, of agent Chesterfield, is worried that with the shortage of stock agents will compete for instructions by suggesting higher asking prices. This would raise the hopes of would-be vendors but would not attract buyers. "Vendors could flood the market with over-priced houses and we could see a return to an inflated market which could simply stall," he says.

The proportion of foreign buyers in central London has risen from 28 per cent in 1992 to 32 per cent this year, Savills estimates, increasing to 46 per

cent in Mayfair, Belgravia, Knightsbridge, Chelsea and Kensington. Many are buying for their own use.

Other overseas investors are buying a return of 8 to 10 per cent from letting, which is more than twice the yield on shares and a percentage point

*Gerald Cadogan considers what's on offer in the capital and the market's state*

or two above that of long-dated gilts, says William Gething, of buying agent Property Vision. These yields will drop as rents will probably remain static when buying prices move upwards once owners decide to release properties. The desire to buy has now spread out from the centre.

Battersea, Fulham and Clapham reported good business in the spring. But again it is the familiar story of not enough stock. Vendors worried that

spring 1993 might fizzle out, like spring last year, helped to ensure that it did. Those who were waiting for the apparent security of higher prices, were overlooking the fact that the market is wholly relative. Sell for more, buy for more. You must live somewhere. When prices go up, the first to benefit is the Treasury through stamp duty and inheritance tax.

As another boost to UK economic recovery, big foreign companies are bringing more staff to London, helping both buying and rental sectors. Agent Lassmans finds that many prefer to buy on behalf of their staff if they are working in London for a long time. If, eventually, there is no need for the house, it becomes part of company assets and can be let. For Britons posted to London, borrowing is cheap - and may become cheaper - and capital growth is likely in a non-inflationary climate.

If vendors agree a good price, the surveyor or mortgage provider's value may declare it not worth that much or point to its bulges and cracks as possible signs of subsidence covering against later claims of

negligence). Then the buyer may try to renegotiate.

The vendor may refuse but then he has the hassle of finding another buyer, while a foreign potential buyer may lose confidence and withdraw altogether. This is a real risk when, as Flint pointed out, the discrepancy on the best properties may be £100,000 to £200,000.

Two seriously expensive houses still wait for the right buyer, 9 Tregunter Road, SW10, with a guide price of £9m freehold, and Halkin Gate House, off Belgrave Square, SW1 on a long lease, with high ground rent, is £5.75m. De Groot Collis is agent. Two other premier league properties offer plush penthouses and flats: the new conversion of 130 Park Lane, W1 on the corner with Green Street (from De Groot Collis or Wetherell) and 3a Palace Green in Kensington Palace Gardens, W8 (from Hamptons or Savills).

An unusual Art Deco house, within walking distance of Lord's cricket ground, is 58 Hamilton Terrace, NW8. Designed by Francis Lorne in 1934, it deserves to be listed. It visibly pays respect to its early

Victorian neighbours. Behind is a long garden with swimming pool. Lassmans is selling the 58-year lease for £1.75m. The freeholder is the John Lyon Road Trust which continues to carry out the wishes of Lyon, founder of Harrow School in 1871, to keep the road from Harrow to London in good repair.

On the better known Eyre estate, in St John's Wood, 30 Marlborough Place, NW8, is an early Victorian six-bedroomed "cottage", which Lassmans offers on a 43-year lease for £1.15m. It too has a good garden. A more imposing house is no 25 in Nash's Chester Terrace, NW1, on the east side of Regents Park. It is on sale for £1.385m from the same agent or Aldine Hoey. In Lowndes Place, SW1, there is a villa on offer for £1.85m from Francis Russell or Aylesford (52 years: the ground rent, already £1550, is to be reviewed in 2001).

Lord Kitchener, the soldier and war minister, lived in 44 Phillimore Gardens, W8, a solid house with a garden, which John D. Wood offers for £2.45m. The agent also offers, new on the market, a maisonette with palm trees in the garden at 49 Holland Park, W11, for £375,000. This freehold property gives the buyer the right to £800 of ground rent from the other occupants who will become his/her tenants.

Some good Georgian brick houses: 21 St Leonards Terrace, SW3 (Egerton or Knight Frank & Rutley, £975,000), 20 Fournier Street, E1 (Jackson-Stops, over £280,000), 5 Highbury Terrace, N5 (Wood at Regents Park, £695,000) and 29 Percy Street, W1 (William H. Brown, £700,000).

And, to end with a splash, The Chantry, a grand 1930s Tudor-style house on Ellerton Road in Wimbledon, SW20, which includes a Japanese-style water garden in the grounds; £2.9m from Wood, in Wimbledon.

Further information: Aldine Hoey (071-834-4901); Aylesford (071-351-2383); William H. Brown (071-636-2736); Chesterfield (071-581-5234); De Groot Collis (071-235-8060); Egerton (071-584-7020); Hamptons (071-937-9371); Jackson-Stops (071-499-6291); Knight Frank & Rutley (071-834-8171); Lassmans (071-499-3434); Francis Russell (071-225-3344); Savills (071-499-8644); Wetherell (071-493-6935); John D. Wood (071-937-9371) at Regents Park; 081-944-7172 in Wimbledon.

REGALIAN

3a

Palace Green  
(Opposite Kensington Palace, London)



FOURTEEN APARTMENTS SOLD

SIX APARTMENTS AVAILABLE FROM £2,995,000

- ▶ Fully air conditioned
- ▶ Separate staff apartments
- ▶ 2/4 car spaces per apartment
- ▶ Sophisticated security systems
- ▶ 24 hour staff service
- ▶ Award winning garden

Contact Maria, Lady Erskine

Telephone: 071 938 4322. Facsimile: 071 938 1351

HAMPTONS SAVILLS

SAVILLS  
INTERNATIONAL



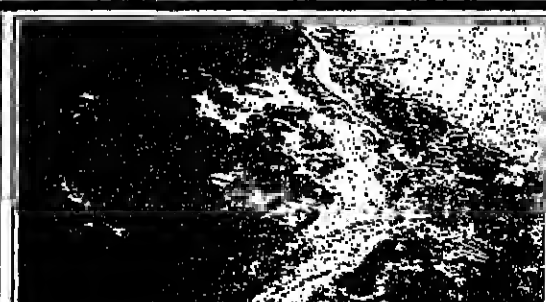
**PERTSHIRE, Scotland**  
Park 5 miles  
**IMPRESSIVE 20th CENTURY MANSION HOUSE OF ARCHITECTURAL IMPORTANCE.**  
Mansion House: 4 reception 7 bedrooms  
3 bedroom Nursery wing and Caretakers Flat  
**TO LET TO A DISCREET TENANT FOR UP TO 15 YEARS.**  
Savills, Edinburgh (031) 226 6961 Contact: Guy Galbraith



**ON THE INSTRUCTIONS OF Mr. S. Barnes & Mr. M.C. Withall of Fraser Thomson, Joint Administrative Restructurers of Malton Golf Club Ltd.**  
**CAMBRIDGESHIRE,**  
Region 6 miles. M11 Junction 13, 7.5 miles  
**RECENTLY CONSTRUCTED 18 HOLE GOLF COURSE WITH ADDITIONAL LAND FOR FURTHER DEVELOPMENT.**  
Region of £1,400,000  
Savills, Chesham (0245) 269311 Contact: Ian Simpson



**HERTFORDSHIRE**  
117 Acres  
Blackdon  
Central London 35 miles.  
**ATTRACTIVE RESIDENTIAL FARM - SUPERBLY EQUIPPED HOUSE & EQUESTRIAN FACILITIES.**  
5 bedroomed house. Stable block with 18 boxes. Further building: workshop, 2 garages, hay store. 68 acres of mixed and watered paddocks. 40 acres woodland.  
Savills, London (071) 499 8644 Contact: Adrian Davis-Thorhill



**EAST LOTHIAN, Scotland**  
20 acres  
Mainfield Golf Course 3 miles, Edinburgh 23 miles.  
**EXCLUSIVE AND INDIVIDUAL RESIDENTIAL ESTATE IN PRIVATE COASTAL SETTING.**  
5 reception rooms, 5 bedrooms, 4 bathrooms.  
Separate Flat / Office. Gardeners Cottage.  
Walled Garden. Ring Fence & security system.  
Wooded grounds with extensive lawns.  
Savills, Edinburgh (031) 226 6961 Contact: Jamie Macdonald



**INVERNESS-SEIRGE, Scotland**  
About 19,000 acres  
Inverness Airport 23 miles  
**PRODUCTIVE DEER FOREST CONVENIENT TO INVERNESS AIRPORT.**  
18th Century Lodge - 9 bedrooms.  
3 cottages.  
Deer forest averaging 32 stags. Numerous Hill Lochs  
Savills, Edinburgh (031) 226 6961 Contact: Guy Galbraith



**HAMPSTEAD VILLAGE, LONDON NW3**  
**SUBSTANTIAL DOUBLE FRONTED DETACHED HOUSE OF OVER 10,000 sq ft.**  
4 reception rooms, 7 bedrooms. Domestic offices.  
Staff Accommodation. Garaging for 3/4 cars.  
Indoor swimming pool.  
Joint Sole Agents  
Glenrose Estates (081) 458 7311  
Savills, Hampstead (071) 431 4844 Contact: Noel De Keyser

INTERNATIONAL PROPERTY CONSULTANTS







# How to remain independent in old age

What are the priorities of elderly people when choosing a new home? Gerald Cadogan finds out what is on offer

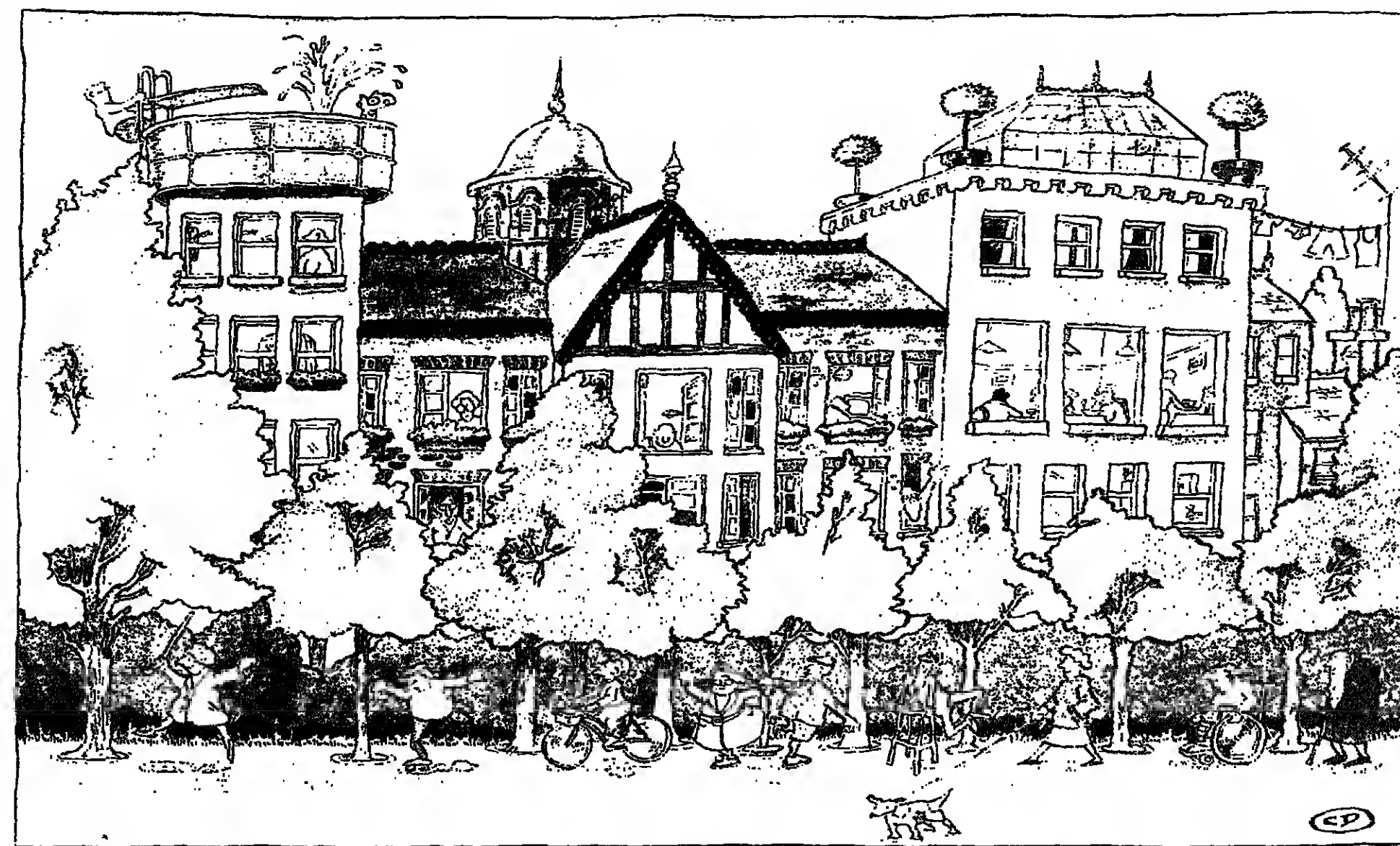
**H**OW ARE gran and grandpa? Carrying on, aver plucky but less able to cope? Is it time to say "You can't spend another winter in this house, mummy," and ask them to live with you? That would be the way in Mediterranean countries. A British variant is to put them in a granny flat next door to you.

Or you can suggest buying a flat or house in a retirement home. For many old people it is the best solution - if it is a high-quality, well-run place.

Retirement homes maintain grandparents' independence. If you are ageing but not incapacitated - the average for entering homes in the Pegasus group is 73.5 years - you continue to have a base that is yours with your own things around you, or what you keep of them after distributing the chattels from your old house - in a pre-emptive strike against your children's squabbling over them when you are gone.

You have company, of people of similar background who have had similar experiences. And you have protection, which is why retirement homes are also called sheltered housing. A warden/administrator is on duty or at the end of a red emergency button all the time. They are not nurses, but can arrange nursing and will check that you are alright if you have not been out for a day or two. (If you are chronically ill, you need a residential home.) They also call the plumber, make sure the dustbins are out and have the windows cleaned. For the service charge, retirement homes free you from building maintenance.

Top-class specialist developers such as (in alphabetical order) Beechcroft, Bovis, English Courtyard Association, McCarthy & Stone, and Pegasus, are coming through the recession, and the market is picking up well. But some companies - both big ones and local speculative builders - thought rejected starter homes would suffice for the old. They do not. This has led to an overhang of "sheltered flats" in the market, which discourages the banks from putting up money



for new schemes. Henry Thornton of Beechcroft notes.

Choose your scheme carefully: is the corollary, and look closely at the service for the residents. Is it easy to walk to the shops? How near are airports, railway stations and motorways?

Beechcroft's University Farm scheme in Moreton-in-Marsh (a joint venture with Nationwide Housing Trust) has a rare plus. It is in a Cotswold town that has a station at the end of the

High Street. And Pegasus's Grandpoint scheme, now being built as a joint venture with Brasenose College, just south of Folly Bridge, Oxford, on the former Oxford City football ground, is surprisingly close to the middle of the city.

Old people like activity, or watching it. Michael McCarthy, of Pegasus, finds that the first units to go in a development overlook the drive or the main entrance. Good schemes are often built

around a courtyard, giving a sense of community neighbourliness that people living in city terraces are used to. They may incorporate an existing building that gives the reassurance of continuity.

Pegasus's scheme at Brackley, in Northamptonshire, is designed around a solid Edwardian building which used to be a boarding house for Magdalen College School, and at Cerne Abbas, in Dorset, Beechcroft has a title barn and a meadow

beside the River Cerne. The units are usually flats or cottage-sized houses that can be arranged for buyers' preferences, sometimes by knocking two units into one. Size varies. Grandpoint will be the largest in Britain with 101 units, including 42 family houses with gardens to include young marrieds with children as well.

Beechcroft's scheme in Odham, Hampshire, will have just 18 cottages, and English Courtyard's Framers Court at Lane

End, near Marlow, Buckinghamshire, 17 cottages, six maisonettes and four flats.

Inside they are planned to help the old unobtrusively. That means doors wide enough for wheelchairs, living rooms that will convert into downstairs bedrooms and plugs at knee to waist height. But Pegasus does not install grips and rails around the bath until people ask. It helps planning, McCarthy says, to visit buyers' old homes to see how they live.

Some schemes expect residents to install their own washing machines. Others have communal laundry rooms. Any problems? Ask the warden. In Brackley she knows the house well as she had been the house matron when it was part of the school.

Other amenities may include a guest suite, a common room and a restaurant. A three-course lunch with coffee in Brackley costs £3.75. Pegasus is including restaurants on all its

new schemes as part of the service although they do not make money. It also puts some of its profits into the Pegasus Trust, to help with emergencies such as hospital operations or wheelchair provision.

McCarthy, who has a doctorate in social studies and has written *The New Politics of Welfare*, stresses that good retirement home management is "anticipating progressive need." Residents can then cope for many years. It is not the aim to push them out. And if the scheme has a swimming pool, there is no better exercise.

So who are the occupants? At Oxford they are dons, librarians and clergy. At Brackley they are engineers, doctors, teachers and business-omen. Nowadays, couples often decide to make the move together. Prices for Pegasus average £102,500. The Beechcroft Cerne Abbas cottages cost £135,000-£185,000. At Radlett, in Hertfordshire, Bovis has flats from £97,500 to £135,000, and English Courtyard's new developments range from £130,000 (a flat at Ilminster in Somerset) to £215,000 (a cottage near Marlow in Buckinghamshire). The service charge at Brackley is £23 a week including water but not council tax.

Whether leasehold or freehold, selling on should not be difficult. With a greying population it is a growth market. From 1961 to 1989 over-60s increased from 2 per cent to 4 per cent of the population and over-65s from 12 to 16 per cent, and will rise to 19 per cent by 2021 and 22 per cent by 2031.

The sector, McCarthy says, is a "still embryonic" large market, where the homes can meet needs that fragmented families cannot. He values development companies which run their own management. It makes a better planned way of helping us to grow old pleasantly.

Further information on schemes around the country from: Beechcroft (0491-834975); Bovis (0582-766661); English Courtyard Association (071-937-4511); McCarthy & Stone (0932-336099); Pegasus (0234-240044).

## COUNTRY PROPERTY

**John Clegg & Co**  
**SCOTLAND**  
**ARGYLL NEAR TAYVALICH**

An attractive family home in a quiet unspoilt location enjoying unrestricted views westwards over the Sound to the Isle of Jura

2 Reception rooms • 4 Bedrooms  
Self Contained Flat comprising sitting room & two bedrooms  
Double garage • Outbuildings  
Mature garden of approximately 1 acre  
Amenity • Privacy • Coastal Location  
Offers over £180,000

**THE PURGATORY ESTATE**  
**Dumfries and Galloway**

2,057 Acres

A most unusual sale of an investment woodland and tenanted forest in one compact estate.

- Capital Growth
- Rental Income
- Positive Cash Flow
- Excellent Access
- Valuable Options

Offers over £450,000

For further information please contact Jon Lamben

2 Rutland Square, Edinburgh EH1 2AS  
Tel: 031 229 8800 Fax: 031 229 4527

**WALES**  
**WOODLAND FOR SALE**  
- 555 acres nr. Talgarreg, Dyfed.

7 productive conifer woods dating from the 1950s and 1960s. All contain timber for tax-free harvesting in the short to mid-term. Prices from £15,000 to £85,000.

Particulars and a list of 112 woods for sale throughout the UK from:

Church St, Chesham, Bucks. HP5 1HF  
Tel: 0494 783711 Fax: 0494 771434

**GLORIOUS SOUTH DEVON**

Scandinavian Lodges in beautiful wooded valley. From £44,000. C.G.T. roll-over relief. Guaranteed 10% net returns. Full management. Indoor pool & many facilities.

WKM WOOD, BISHOPSTORTON, DEVON TQ14 9TN  
Tel: 0626 770888 FAX: 0626 770295

**EGERTON**  
**WEST SUSSEX - HORSHAM**

Town Centre and Station 1 mile, Gatwick Airport 10 miles

A FINE TUDOR HOUSE, WITH A LISTED 15TH CENTURY CHAPEL

Reception Hall, Panellied Drawing Room, Dining Room, Study, Morning Room, Kitchen/Breakfast Room, Principal Bedroom, Dressing Room and Bathroom. 4 further Bedrooms and 2 Bathrooms. 15th Century Chapel in need of restoration. 3 Bedroomed Cottage, Staff Flat and Garage. Formal Water Gardens fed by the River Arun. Gardens and grounds. Parkland, Grassland. Frontage to the River Arun. About 65 acres.

APPLY: MAYFAIR OFFICE - TEL: 071 493 0676

**BIDWELLS**  
Chartered Surveyors

**NORFOLK - CATFELD HALL ESTATE**  
Norwich 18 miles Great Yarmouth 15 miles

200 acres

A residential, amenity and sporting estate Grade II listed 7 bedroom hall. Hall cottage. Fine traditional thatched barn buildings. Arable and grass farm. Private broad. Unspoilt marshland. Wild bird shoot, duck flights, fishing.

Guide Price £600,000

0603 763939

18 UPPER AND STREET NORWICH NR5 1HA CAMBRIDGE NORWICH IPSWICH LONDON PERTH

**YORKSHIRE DALES NATIONAL PARK**  
**"CURLEW COTTAGE", WEST SCRAFTON**  
LEYBURN, NORTH YORKSHIRE

AN EXCEPTIONAL RENOVATED AND REFURBISHED CENTRALLY HEATED AND DOUBLE GLAZED DETACHED BARN CONVERSION STANDING IN APPROX. 4 ACRES WITH PARTICULARLY FINE VIEWS OVER COVERDALE INTO HERBERT COUNTRY.

Porch, Large Lounge/Dining Room with logstove, fireplace, breakfasting kitchen with good quality pine units, Utility Room, Landing, Cloakroom with w.c. and shower, 2 Bedrooms, Bathroom with w.c. Garage, Outbuildings, Summerhouse and beautiful contrasting front and rear landscaped gardens.

PRICE: £199,999

Contact: T. G. Martin, Chartered Surveyors Tel: 0748 623267 Fax: 0748 626706  
18 Paternoster, Richmond, North Yorkshire DL10 4AB

**STEVEN PITTS**  
ESTATE AGENTS

**BUDLEIGH SALTERTON, KERSBROOK**

Character Detached Residence with 1 acre of secluded grounds. Oil Central heating, 6 bedrooms, 9 reception rooms, 2 bathrooms, kitchen. Domestic offices. Double garage

£195,000

Tel (0395) 225325 Fax (0395) 225279

36 ROLLE STREET, EXMOUTH, DEVON EX8 2SH

**HURLEY LLOYD THORPE**

**SCOTTISH AGRICULTURAL INVESTMENT PORTFOLIO**

**ABERDEENSHIRE**  
Dairy and Cereal holdings 1460 Acres

**KINCARDINESHIRE**  
Cereal and Livestock holdings 1435 Acres

**BERWICKSHIRE**  
Cereal and livestock holding 1334 Acres

LET and PRODUCING £150,210 p.a.

For Sale as a whole or individually

Apply: 70a HIGH STREET HUNTINGDON CAMBS PE18 6DJ. TEL: (04801) 453557

**CARTER JONAS**  
ESTATE AGENTS

**WILTSHIRE, Wootton Rivers**

Marlborough 3.5 miles, M4 (J15) 11 miles, Pewsey 4 miles

An attractive period house in the Vale of Pewsey

Hall, Drawing Room, Living Room, Dining Room, Study, 3 Bedrooms, 2 Bathrooms, plus 3 further Bedrooms, Outbuildings, Tennis Court, Gardens and Paddock.

10 Acres in all

Marlborough Office: 0672 814545

London Office: 12a St. George Street Hanover Square London W1R 9DE. Tel: 071 629 7154

**MULLUCKS**  
WELLS & ASSOCIATES  
AUCTIONEERS, ESTATE AGENTS & SURVEYORS

**HERTFORDSHIRE**  
A Queen Anne Country Residence with views over parkland

5 reception rooms, kitchen, 8 bedrooms, 4 bathrooms, staff accommodation, heated pool, tennis court, outbuildings, paddocks and gardens. Approx. 6.5 acres. Offers invited

Joint Agents: Knight Frank & Rutley

**NEW COUNTRY HOUSE MAGAZINE NOW AVAILABLE**  
Bishops Cleeve, Hertfordshire Tel: 0279 755001 The London Office Tel: 071 434 3441

**Martin & Basset**

**WEST SUSSEX**  
Horsham 3 miles, Gatwick Airport 10 miles. A WELL PRESENTED COUNTRY HOUSE CLOSE TO WALKING AND RIDING. FACILITIES IN ST. LEUK AND FOREST.

• Welcoming 4 bed rooms, 3 Reception Rooms, Reception Hall, Family Room, Kitchen, Utility Room with WC/Showers, Cloakroom, Central Heating, Integral Garage, 3 Car Garage, Stock, Outbuildings, Gardens, Paddock Land and Woodland. In all about 31.5 acres.

Price Guide £260,000.

Tel: (0403) 218216 Fax: (0403) 254 707

**BEDFORD**  
COUNTRY PROPERTY AGENTS

We have just published the Autumn Issue of our Magazine

**COUNTRY**

Interesting selection of East Anglian Cottages, Farmhouses and Country Houses £60,000 - £200,000

In association with THE LONDON OFFICE 071 434 3441

**Bury St Edmunds (0284) 769999**

**H.J. BURT & SON, Chartered Surveyors**

**SURREY, Haslemere**

An Impressive Edwardian Family Home Within Easy Reach of the Station

3 Reception, Study, Kitchen, Utility, 2 Further Rooms  
Principal Bedroom, Dressing Room, 5 Further Bedrooms, 2 Bathrooms  
Lounge for Three Cars, Gardens, Wooded Views to the South

Guide Price: £295,000

Apply: The Estate Offices, Steyning, West Sussex, BN14 5JA, Tel: (0403) 874458 or The London Office, Tel: 071 434 3441

**COLE FLATT & PARTNERS**

Seeking on behalf of clients in Hertfordshire/Buckinghamshire Chilterns - period or character house, 25-30 miles North West of London, 5 beds & outbuildings, 2 acres, on edge of village ideal - up to £200,000 available.

Any enquiries treated in confidence whether the house is on the market or not.

Please call Adrian Cole (0442) 670444.

124 High Street, Berkhamstead, Hertfordshire, H14 3AT

**THE LONDON OFFICE**

43 Conduit Street, Mayfair, London W1R 9FB

Tel 071 439 3900 Fax 071 437 4073



## RESIDENTIAL PROPERTY - INTERNATIONAL

WHEN the Berlin Wall was dismantled in November 1989, those who had never dared set foot in the former east Germany were surprised by what they saw. In spite of the former communist regime's attempts to pull down many fine buildings in east Berlin, some were spared the bulldozers. The Dom, the beautiful Protestant cathedral where some of the Prussian kings are buried, and the Synagogue are just two examples. Both have now been restored.

As the visitor drives northwards through the rolling plains of Mecklenburg-Vorpommern to the Baltic coast, or southwards through small, cobble-stoned villages in Saxony and Thuringia, he or she will see numerous houses standing empty and in need of repair. These properties should have been snapped up by now by property developers, speculators and former owners. But what was once considered a dream, providing rich pickings for those with cash, has turned into a nightmare for some wanting to buy property in the five new Länder, or states.

The root of the problem rests with the unification treaty of 1990. The treaty gives former owners, whose property was confiscated between 1933 and 1945 or between 1949 and 1990, the right to claim back their property or seek compensation.

The law was amended two years ago to give investors priority over restitution, provided that the claimant could not match the investor, particularly in terms of property development which would provide employment. Once that was proved, the investor paid compensation to the original owner. But as investors and individuals wishing to buy a plot of land are finding out, things are not so simple.

Anyone wanting to buy land or property in eastern Germany must first establish whether there are any outstanding claims on that property. This means going to the local Landestrasse, which holds a record of some land titles, or applying directly to Barby, eastern Germany's central land registry. The latter contains almost every single land title for the country. The problem is, the 15 kilometres of thick, leather-bound titles are not computerised. Moreover, some of the land registries were destroyed, had pages torn out, or in some cases the Nazis or



Image problem: dreary housing estates and a "Trabi" in east Berlin

## Bureaucracy: the new Berlin wall

Legal and ownership disputes have snarled the market in the former east Germany, says Judy Dempsey

the communists blotted out the names of the original owners so that - particularly in the case of Jewish families who survived the Holocaust - they would not return and reclaim their property.

In a bizarre twist of history, I have been told several times by lawyers that former Nazis who concealed the names of the original Jewish owners are now trying to reclaim that property.

The staff at Barby - which was used as a Russian garrison after the second world war, later as a hostel for Gastarbeiter, or guest workers, and then as a land registry tightly controlled by the Stasi, or state security police - have since installed infra-red equipment which can penetrate the black-out titles. But the process takes time.

At present, 1.2m claimants are seeking restitution or compensation for 2.6m titles throughout eastern Germany. The expiry date for registering a land claim was December 31



As they were: streets named after communist heroes are gradually being changed by the new administration

1992, but the 4,000 officials processing the claims have only resolved about 22 per cent of all cases. In cities such as Leipzig and Halle, claims have proceeded very slowly; indeed, the success rate is as low as 6 per cent in Halle, the birthplace of George Friedrich Handel. Klaus Rauen, the mayor, throws up his hands in despair. "Without resolving all these property rights, we cannot speed up investment. Moreover, we need to settle these claims so that we can renovate the buildings in the centre of our city."

Cities such as Leipzig and Berlin are awash with property consultants who set up offices after 1989 in the expectation that they could acquire land quickly and cheaply. But Stefan Bräutigam, a consultant for Jones Lang Wootton, the UK property consultant also based in Frankfurt and Berlin, is more realistic. He says property claims are moving a bit faster, but those wanting to buy must have "patience,

money, and a good lawyer". Patience is needed because the bureaucracy is so slow. Although government officials stress that establishing the title on land can be resolved within two months, claimants and property developers say many cases take at least nine months - if not longer. Moreover, claimants complain that local officials delay in replying to letters and demand more evidence of original ownership. Claimants also say that low-level officials are bribed by property speculators to dissuade the original owner from pursuing a claim.

Money is needed because claimants not wanting to regain their property will be looking for compensation at the market rate. And a lawyer is crucial to establish, check, and negotiate the final purchase, restitution or compensation claims.

The investor faces another potential problem. It concerns property expropriated by the former Soviet Union when it controlled eastern Germany between 1945 and 1949. Under the terms of the unification treaty, those whose property was expropriated during this period are not entitled to restitution or compensation. The government in Bonn claims that the Soviet Union made the non-return of this property a pre-condition of German unification. Many of these former property owners were aristocrats, land-owners and large entrepreneurs.

In recent months, Daimler-Benz and other land-owners have begun to challenge the Soviet veto on the ground that Moscow never laid down such a pre-condition for unification. Whether they can prove this in the courts is another matter. But it places a question mark over the status of this land, which totals 13,000 square miles. Some is under the Treuhänder, the agency charged with privatising eastern German industry. Some is rented out to small farmers.

Perhaps this is an unduly bleak picture of the property market in eastern Germany. But there is hardly an official in any of the five Länder who does not agree that outstanding Vermögensfragen - property questions - is one of the principle headaches of unification. All admit, too, that the problem will need at least 10 years to resolve. The longer it takes, the longer the delay in property prices finding their real market value.

## U.S.A.

### First Offering Ski To The Door Vail-Beaver Creek Colorado

Exquisite floor plans, features, superb views and luxurious amenities.

Luxury 2.5 & 4 Bedroom Condos in the village core of Beaver Creek. Super ski slope, golf course and valley views. On-site rental management and front desk service. Year-round indoor and outdoor pool, exercise room and meeting rooms. 18 Hole Championship Golf Course.

FINANCING AVAILABLE  
corporate or individual  
FROM \$295,000

call collect 705-949-5051 • fax 705-949-1087 • 24 hours

#### BEAUCHAMP ESTATES

24 Sussex Street London W1 3 7 7 7  
Tel: 01-235 8811 Fax: 01-235 8811

#### 1049 8TH AVENUE

### A NEW STATE-OF-THE-ART CONDOMINIUM DEVELOPMENT

Spacious building featuring magnificent panoramic views of Central Park.

\*Fine craftsmanship  
\*Superb living accommodation  
\*Magnificent bedroom suites  
\*Ultra modern kitchens  
\*Meticulous attention to detail  
\*24 hour Concierge service

#### JOHN TAYLOR SOTHEBY'S INTERNATIONAL REALTY

Call Monica Barco  
35, LA CHATELAIN Square, London W1A 3 3 3  
Tel: 01-235 8811 Fax: 01-235 8811

#### NEW YORK CITY Park Avenue, Low 80's.

Stunning penthouse in the pre-war building. Panoramic views from three terraces. 4/5 bdrms. 7 1/2 baths. 3 fpls. 10'3" ceilings. Completely rebuilt with state-of-the-art technology. No Board approval. Ask \$4,950,000. MM: \$6,995,000.

Call Mrs Rohm, 212-319-3800 or fax: 212-759-0150.

#### Unique Service for Overseas Owners of American Real Estate

FOREIGN MANAGEMENT  
CORPORATION, INC.

exclusively caters to foreign governments, investors, partnerships and individuals. We buy, sell, lease and manage U.S. residential and small commercial properties. References available upon request. Please write or fax your request for information to:

Jessica Doe Rohm, President  
Foreign Management Corp., Inc.  
485 Park Avenue, New York, N.Y. 10022  
Tel: (212) 319-3800 Fax: (212) 759-0150

#### MUSEUM TOWER CONDO.

A FINE CHOICE APTS. AVAILABLE IN FIRST CONDO MARKET LOCATION. MODERN, SECURITY, QUALITY. BUY OR RENT. FULL OR PARTIAL. INVESTMENT OR LIVE IN. NO. 5, BERGOFF'S, ROCK CTR. EXCL. ALSO, PH. DUPLEX W/STAIR.

Corinne Vitale: 212-891-7102  
Linda De Luca: 212-891-7101  
Fax: 212-891-7233

DOUGLAS ELLMAN

#### INTERINVEST CORPORATION

offers  
Foreclosure properties up to 30% below the market prices.

Fax: (305) 221 7394  
P.O. Box 012264, Miami,  
Florida 33101-2264

NEW YORK CITY Landmarked Victorian brownstone, recently restored, all original details. 5 beds, garden, 15 min from midtown. \$400,000. USA Tel: 718 363 7493 Fax: 718 363 7239.

## MAJESTIC BACKCOUNTRY, GREENWICH, CT. U.S.A.

Spectacular 110 acre residential parcel situated off Taconic Road on the Greenwich/Stamford, Connecticut border near Greenwich Polo and the prestigious Stamford Golf Club (Greenwich). Breathtaking vistas of the abutting Barge Reservoir. One of a kind opportunity. Informational reception and property tour Sunday, September 26th, 11:00 am to 3 pm. For directions and further information please tel Edward S. Mortimer in U.S. Tel: 203-869-0808 please call 203-698-0836.

41 WEST ELM STREET, GREENWICH, CONNECTICUT, U.S.A.

#### ULTIMATE TEXAS ESTATE

Elegant, 10,000 square foot mansion overlooking private 30 acre lake. This one of a kind home features large pool & cabana, jacuzzi, sauna, exercise room, 2 kitchens, wine cellar, 7 baths, greenhouse, surveillance security/telephone systems, and spectacular views of the Brazos River valley. The Diamond A Ranch includes a herd of award winning Registered Angus Cattle with 500 prize acres just 40 miles from downtown Houston. Excellent location for a 6,000 airstrip.

PRINCIPALS ONLY  
FOR PACKAGE  
Tel: 413 893 9337  
Fax: 413 893 9339

#### WILLIAM R. MAY COMPANY New York City DOWNTOWN TOWNHOUSE

Georgian London in Greenwich Village. Elegant residence with dining room, four large bedrooms with fireplaces, full kitchen, wine cellar, and a full bathroom. Complete renovation. Periodic maintenance. Call: 011-212-277-705

#### British Homes London Flats Ltd.

Short Term Luxury Flats. (One week minimum) Ideal for business or family visits to London. Mayfair, Belgrave, Knightsbridge, Chelsea. One third the cost of a luxury hotel without sacrificing quality. Fully equipped kitchens and bathrooms, living rooms, dining rooms, maid service included. Chauffeurs, Theatre, Catering, Nurses available.

UK Toll Free 0800 89 4475 USA Tel: 516 883-2717 Fax: 516 944-5267

#### BERMUDA TUCKERS TOWN BERMUDA

RARE OPPORTUNITY to acquire an ocean-front home adjacent to the world-class Mid Ocean Golf Club & a short distance from an international airport (11). This 4,000-plus sq. ft. home rests on a superb site with access to magnificent Winsor Beach on the South Shore and a private deep-water dock on the waters of Castle Harbour. The city of Hamilton (2) is a 15-minute drive away.

Thirty-foot living room with fireplace opens onto a covered porch overlooking the ocean. Master bedroom with dressing room and bath ensuite also opens onto a large balcony. Two guest bedrooms have adjacent bathrooms. A lower-level studio apartment and cliff-side pool with breathtaking views are also features of the house.

This property has been with the present owner for 30 years and offers the potential for modification and/or modernization. Offers in the region of US\$12.5M.

Please contact the exclusive Bermuda agent: Jean Pimm.

#### CORAL PROPERTIES LTD.

Telephone: 809-292-5027  
Fax: 809-295-5944 • Mailing Address:  
P.O. Box FL 342, Flats FL BX, Bermuda.

#### FLORIDA GOLF COURSE LIVING NAPLES, FLORIDA

2 bed, 2 bath, 1500' condominium beautifully furnished with pool, overlooking lake & course at Bear's Paw Golf & Country Club - a fully mature Jack Nicklaus designed course. 15 mins from Old Naples, Philanthropic Hall & Beach. Golf cart included.

\$ 180,000  
Tel: (949) 676-983

#### BOCA RATON/ PALM BEACH

Oceanfront & Golf course communities comprehensive property locating service. Estates, Villas & Flats.

Contact: ROSLYN CRESNIE, Realtor  
Coldwell Banker Real Estate  
Fax: 001-407-241-8828  
Tel: 001-407-391-0977

#### FLORIDA RESIDENTIAL PROPERTIES AS HIGH INCOME PRODUCING INVESTMENTS

FOR FREE BROCHURE  
CALL THE SPECIALISTS  
FLORIDA PROPERTY CONSULTANTS  
TEL: 444 282 296 976  
FAX: 444 282 296 410

#### LINDA R. OLSON, INC. REALTOR PALM BEACH PROPERTIES

Plots 3-term to oceanfront estates For Sale or Lease Personal Service 7 days a week 101 Bradley Place, Palm Beach, FL 33480 (407) 820-9195 Fax (407) 820 9253

#### SOUTHWEST FLORIDA - Naples, Bonita Springs, Ft. Myers. For information on residential and commercial properties contact R. SUTTER, The Prudential Real Estate Group. Tel: (813) 283 3300; Fax: (813) 283 0352

#### ISLE OF MAN ProSearch The property specialists

Quality residential, investment and rental properties on the island. A personal service tailored for you.

Phone Sara Young or Michael Atherton  
0161 624 82116

#### IRELAND N.W. IRISH COAST. DISTINCTIVE 4 bed home, 2 1/2 baths, 2 reception, overlooking island, mountains, etc. See in rural setting. Adj. town, superb beach, salmon river, forest & golf all within 5 mls. \$30,000. Tel: +353 72 82851.

#### RELOCATION HARRIS PARTNERSHIP Chartered Surveyors Executive Lettings in the New Survey Services 37 High Street, London, EC2A 3 7 7 Tel: 0432 831616 Fax: 0432 831610

#### S.E. ENGLAND SUSSEX/KENT PROPERTY SEARCH BY A.J.A. MEMBER (ALSO, FRENCH/FOREIGN PROPERTY AGENT) WILLIAM PERSON 75 NORTH WAY, SEAFORD BN25 3HP TEL: (0323) 829 223 OR FAX: (0323) 829 278

#### CHANNEL ISLANDS SHIELDS

INVITE YOU TO  
CONTACT  
GUERNSEY'S LARGEST  
INDEPENDENT  
ESTATE AGENTS

specialising in Open Market  
property available to non-  
residents. If you are  
considering re-location we  
offer a personal approach and  
FREE 'Homefinder Facilité'  
and coloured 'Property  
Portfolio' brochure.

Shields & Co Ltd  
4 South Esplanade  
St Peter Port, Guernsey, C.I.  
TEL: (0481) 714445  
FAX: (0481) 713811

#### GUERNSEY ALDERNEY SARK LOW TAXES. QUALITY OF LIFE. LUXURY HOMES & BUSINESSES. TOSTEVIN PARTNERSHIP LTD.

BUSINESS TRANSFER & ESTATE AGENTS  
TEL: 0481 32305  
FAX: 0481 51103

#### GUERNSEY - SHIELDS & COMPANY LTD 4 South Esplanade, St. Peter Port. The Island's largest independent Estate Agent. Tel: 0481 714445. Fax: 0481 713811.

ALDERNEY MITCHELL & PARTNERS  
Other personal property services. Telephone:  
0481 823277 or Fax: 0481 823298

#### LOOKING FOR PROPERTY? - ARA MEMBERS CAN HELP BOTH IN THE UK & OVERSEAS.

FOR FURTHER INFORMATION CONTACT ARA: P.O. BOX 108, EDINBURGH, EH7 5JD.  
TEL: (0131) 556 3089 FAX: (0131) 556 0791

#### StackS RELOCATION

If you are looking for property in the U.K. StackS Relocation offer a comprehensive service to the client to either buy or to rent.

We will take all the searching and negotiating off your shoulders, saving you time and money! We are available to advise on any requirements using our specialist local knowledge from thirteen offices spread across the UK.

We are now delighted to introduce you to our new office in London. Before you do anything else, why not contact us to discuss your requirements without obligation?

Head Office Tel: 0665 860523  
Fax: 0666 860886  
London Office Tel: 071 720 9336  
Fax: 071 738 9332  
Hong Kong Office  
Tel: 840 1686 Fax: 845 5795

WOLFORD PROPERTY SEARCH Using the established service ensures you view the right Norfolk houses. Tel: 0485 23634

#### REMOVALS ABELS THE QUALITY REMOVALS SERVICE

Our air-side vehicles are designed to ensure during transit, your possessions are not damaged or broken. You can have complete confidence about putting your home removals in our hands.

For a free visit from a removal consultant and free estimate call Freephone 0800 626768

#### INTERNATIONAL REMOVALS ABELS THE QUALITY REMOVALS SERVICE

Weekly we send vehicles with our own crews across Western Europe, door-to-door service for people moving abroad, moving for business reasons or furnishing a second home. For a free visit from a removal consultant and free estimate call Freephone 0800 626768

#### EUROPEAN MOVE? LET ABELS HANDLE IT

Weekly we send vehicles with our own crews across Western Europe, door-to-door service for people moving abroad, moving for business reasons or furnishing a second home. For a free visit from a removal consultant and free estimate call Freephone 0800 626768

#### INTERNATIONAL REMOVALS ABELS THE QUALITY REMOVALS SERVICE

Weekly we send vehicles with our own crews across Western Europe, door-to-door service for people moving abroad, moving for business reasons or furnishing a second home. For a free visit from a removal consultant and free estimate call Freephone 0800 626768

#### INTERNATIONAL REMOVALS ABELS THE QUALITY REMOVALS SERVICE

Weekly we send vehicles with our own crews across Western Europe, door-to-door service for people moving abroad, moving for business reasons or furnishing a second home. For a free visit from a removal consultant and free estimate call Freephone 0800 626768

#### INTERNATIONAL REMOVALS ABELS THE QUALITY REMOVALS SERVICE

Weekly we send vehicles with our own crews across Western Europe, door-to-door service for people moving abroad, moving for business reasons or furnishing a second home. For a free visit from a removal consultant and free estimate call Freephone 0800 626768



# RESIDENTIAL PROPERTY - INTERNATIONAL

## A French connection on the waterfront

Audrey Powell has been touring France and discovering holiday homes to suit nearly every pocket

WITH A near 2,000 mile stretch of coastline, France offers the homebuyer who has designs on living by the water three choices: the Channel, the Atlantic or the Mediterranean. A variety of property styles and climate to go with the three expanses of water are also on offer.

For those living in south-east England the spring opening of the Channel tunnel will make a weekend home on the northern French coast a more inviting and easily-obtainable prospect.

The French tourist board stresses the virtues of the Opal coast - 58 miles of beaches, dunes and cliffs between Calais and Dunkirk.

It will be possible to reach the resort of Le Touquet and lesser-known Hardelet (founded by Englishman John Whitley at the beginning of the century) in three hours from London.

Hardelet is a resort with many activities to amuse all the family. It has two of the Opal coast's eight golf courses, a sizeable equestrian centre, a tennis club and 10 miles of broad beach (much used for horse-riding and sand-yachting) stretched before a pine forest. Then there is a compact town, with boutiques and restaurants, to interest all shoppers.

Lesur Promotion has a choice of property in the resort to suit most buyers - apartments, seafront or in more secluded areas, from £48,000.

A family looking for a weekend home may prefer to have a house built. Different sized plots can be bought from £50,000 either on a golf course or tucked away in pine woods. A three- to five-bedroom villa is standard, as is the steep roof. This would cost £30,000 upwards on top of the plot price. Other prospective buyers might prefer an individually-designed property. (Information from Lesur Promotion Hardelet 01 91 91 00).

Earlier this year a group of established British-based estate agents offering property in France combined to form Groupe France, which collectively almost covers the coun-



The Sanctuary, the first phase of a development on the edge of Lake Geneva close to the Swiss frontier



This mill and cottage - the mill is unrestored - is priced at £150,000 from Waterside Properties Ltd

try. Each company continues to specialise in a defined area, but when one does not have a particular type of property sought after, the applicant's name is passed on to a fellow agent.

One member of the group, Rutherford's (071-386-7240), extolls the virtues of west coast France - bracing air, heathes cleaned by the Atlantic ocean. It suggests sales at Port Bourgenay, near Les Sables d'Olonne, could be useful buys. A typical studio starts from £24,500, a furnished two-bedroom apartment from £43,000. Port Bourgenay has a sandy beach, golf course, tennis and other resort facilities.

Up to 100,000 Britons are selling their property in France, says Frank Rutherford. Indeed Britons buying in France are likely to be buying from fellow countrymen, saving time and trouble.

On the south coast of France the choice of property is immense, with a price tag to match.

Residence Atoll Beach, at Port Saint-Laurent is a new eye-catching block of apartments, built in a series of horizontal lines. It took the development company, Atoll Beach, seven years to obtain permission for the project, which

involved relocating the nearby road to enable the apartments a situation next to the sea.

The completed, crescent-shaped building on six floors, comprises 109 one to four-bedroom apartments, with shops at ground level and a hotel with swimming pool. Prices range from £150,000 for a large studio with terrace and sea

view, to £1.34m for a four-bedroom, four-bathroom apartment, with basement parking. (London agent is David de Lara & Partners, 081-742-0708).

For those who prefer something with more privacy, a recently-restored 1920s house on the water, with private mooring, beach and cove, is available on the Cote de l'Es-

terel, west of Cannes. Each of the villa's three bedrooms has a balcony overlooking the sea. The owner, a member of a rock group, is seeking £1.6m, through London agent Barbers (071-381-0112).

Canalside houses at Port Grimaud, the "lagoon city" in the Gulf of St Tropez are as near the water as is possible.

The resort has grown to 2,500 homes. On a summer evening a procession of boats can be seen - their owners returning them to the end-of-the-garden moorings.

Building began at the resort in 1968 and was due to be completed by now, but the final section has not yet been built. This will comprise 40 apart-

ments and 56 houses - reservations are awaited. Meantime there are a few other new properties available and some resales. (Sales office Port Grimaud 94 36 21 82 or UK contact 0243-572001).

The architect, Francois Spoerry, now aged over 80, has a home there, which he designed he says, with a smuggled pencil while a prisoner of war.

His commissions have been worldwide but he now concentrates mostly on France. One current project involves a hotel at Beauvallon, St Maxime, with additional development, for the American Disney group - its first hotel in France.

Interesting to watch develop will be a project further east along the coast at the old port at Frejus.

Spoerry's practice has been brought in to oversee the second phase, which will mirror Port Grimaud, with its canal side pastel-shaded houses and slightly taller apartments. But here the development is cut inland, rather than being built outwards like Grimaud, and the canal will meander beneath bridges leading to a lake. Several builders will be working on different sections that will be carefully co-ordinated.

At EuroHome Corporate Services, based in Amsterdam, Arrom Goldberg, managing director, provides destination homefinding, international homesale and spans 37 countries on four continents. Goldberg says of Belgium: "It is pretty much a buyers' market. You will get detached houses and far more space there."

Bank in Brussels had peaked and were coming down, he says, while in Amsterdam they were rising.

Association of Relocation Agents, tel: 031-558-3660; People & Property, 071-225-1313; EuroHome Corporate Services, Amsterdam 611 69 36.

Audrey Powell

## Smoother moves abroad

HOW DOES one cope with moving abroad? Currently, some 421,000 Britons live in other EC countries. While there is a network of relocation agents to guide and help other nationals moving into Britain - as in the US - the number of companies offering to assist the British in Europe seems surprisingly few.

The directory of the Edinburgh-based Association of Relocation Agents (ARA) lists 116 members and Associates ready to help people find homes in parts of Britain. But only six will handle moves into Europe.

ARA was founded in 1986 and its chairman, Tad Zur Linden - he is of Swiss extraction - admits that the number of members in the international section is sparse. In a growing market it seems odd to find so few companies operating.

Taking the Benelux countries as an example, the latest figures (which are for 1991) show that Belgium had 23,300 resident Britons - the number of Britons moving into Belgium has nearly quadrupled since 1985 - the Netherlands 39,000, Luxembourg, 3,200.

"The Americans have had relocation in all its different guises for 25 to 30 years. In Britain there were a few companies in the 1970s but the service has only built up in the

last ten years," says Zur Linden. However, although there are relatively few relocation companies, between them they provide a wide range of services. Not only will they find property and furnishing services, they will make sure that gas, electricity and so on are connected for new occupants. They may also arrange the letting and management of the home you have left behind.

People & Property says it gives a personal service to corporate and private clients. This includes area orientation, homefinding (to buy or rent), educational counselling, furniture removals and introductions to decorators.

At EuroHome Corporate Services, based in Amsterdam, Arrom Goldberg, managing director, provides destination homefinding, international homesale and spans 37 countries on four continents. Goldberg says of Belgium: "It is pretty much a buyers' market. You will get detached houses and far more space there."

Bank in Brussels had peaked and were coming down, he says, while in Amsterdam they were rising.

Association of Relocation Agents, tel: 031-558-3660; People & Property, 071-225-1313; EuroHome Corporate Services, Amsterdam 611 69 36.

### Europe's Premier Golf Development

Discover Europe's most prestigious location for a second home, Pinheiros Altos at Quinta do Lago in Portugal's beautiful Algarve. Located within 3 hours of every major European city, its 250 acres have been sympathetically transformed into a world class golf and residential development with:

- Superb year round climate
- Individually designed homes overlooking a championship golf course
- Easy access to Tennis, Horse riding, Watersports and Beaches
- Special discounted prices to next 15 purchasers
- Inclusive of Golf Membership rights

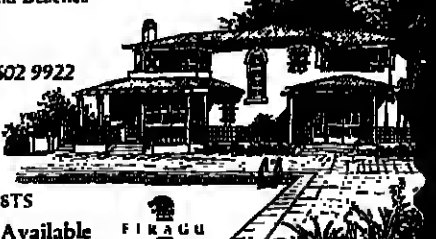
For further information contact Firago plc on 071 602 9922

PINHEIROS ALTOS

AT QUINTA DO LAGO

Firago plc, Avon House, Avonmore Road, London W14 8TS

Regular Low Cost INSPECTION FLIGHTS Available



### BOVIS IN THE ALGARVE VISIT NOW!



QUINTA DO LAGO

One of Portugal's top golfing and leisure resorts. Apartments from £100,000, villas from £185,000. Interest free terms or free golf membership.

QUINTA DA BOAVISTA

Villa plots from £60,000 (Construction prices available on request).

INSPECTION VISITS REFUNDABLE TO PURCHASERS

All figures exclude purchase tax and service charge

BOVIS ABROAD

0800 252235

FAX 071-225 0696

### In one of the most prestigious residential areas of ZURICH

#### 12-ROOM FAMILY MANSION

(Inheritance)

Lying in 1800 m² of parkland overlooking the city and the lake. This exceptional Jugendstil residence with approximately 520 m² of floor space is a true work of art, thanks to Parisian interior designer, Jansen.

On account of the richness and quality of the materials used (ex. Lalique glass doors), this unique building will never decrease.

Would suit solvent person who is looking for absolute tranquility. Further information can be obtained from

Jean-Pierre STREBEL - Place Pépinet 1 - Case postale 3907 - 1002 LAUSANNE

Tel. (41) 21-311.41.41 - Fax (41) 21-311.41.43

### BRUSSELS - CAPITAL OF EUROPE

Magnificent 'Hotel de Maltré'. Stane's throw from principal CEE offices, overlooking Park. In commercial use, 5 tel. lines, lift, upper part newly renovated; suite offices, Embassy, Apartment Hotel etc. Built area: 1100m² plus Gardens. Freehold Bargain at BF. 60,000,000.

Write to P.O. Box 925 Bruxelles 1000, or Fax: 322 7330593

SWITZERLAND



1100 - 1500,000

OSBORNE SOLICITORS

93 Parkway London NW1 7PP

Tel: 071-485 8811

### NEW ZEALAND - CORO MANDEL PENINSULA

Coastal farm subdivision, magnificent views. Coastal access, 25 acres £70,000. Phone/Fax 64-9-627299 for video

### CRANTI CLASSICO

Charming in Chianti. Unusual Italian stone-bungalow, built 1971, 230 sqm, in charming panoramic position in a forest, swimming-pool, large piece of land, own water supply. £120,000 negotiable. Agents: immobilitas VENTO - Grove in Chianti, Italy. Tel: 055-4544919

### TUSCANY INSIDE OUT

The Property Specialists contact Diana Levine Moore - Licensed Agent Tel/Fax 010 391 (578) 26367 or 26602

### VENICE - GRAND CANAL

Finest Palazzo in Venice 2 bedrooms 80 sq. metres - perfect pied a terre entrance in Grand Canal - View over magnificent gardens - centrally located, air conditioning, concierge. Located between Grati Palace and Harry's Bar. Selling offshore Co. £400,000 071 259 6646

### ITALY

Villa Rosetta, Umbria On the Tiber river. Magnificent, recently restored early 19th century Palazzo style villa. More than 1,500 sqm of accommodation, 10 bedrooms, 4 acres of land. Swimming pool, tennis court.

### Le Ferriere, Tuscany

Between Pisa and Siena. Classic Tuscan house, beautifully restored and modernised by present owner over 20 years. 400 sqm, on 3 acres offering space and comfort. All conveniences. Swimming pool, 2 bedrooms of land.

### Village House, Tuscany

Recently restored, solid stone-built house in a beautiful village setting, south-west of Siena. 1100sqm, 3 bedrooms, 3 bathrooms, living room, bedrooms, full kitchen and prices from the Sole Agents: Brian A French & Associates Ltd Italian Property Specialists. Telephone: 071 384 8114 (24 hours) and 0233 667497 Fax: 071 384 8822 and 0431 863755 (FOPDAC Member)

### HALF PRICE GOLFING PARADISE

On legendary LOS MONTEROS course 2 miles MARBELLA. "Beach Club" & "Riding" & "Health Club" • Indoor, outdoor pools SUPERR MARBLE APARTMENT with own walled garden, terrace, garage, 2 bedrooms suites, vast Saloon, dining, living, kitchen SACRIFICE at £125,000 071 736 6374 ANYTIME

### VENICE

Tastefully restored apartments in Gothic Palace overlooking junction of two canals. Quiet residential area. Prices from £155,000. Properties also in Lake Como, Liguria, Piemonte. CASA TRAVELLA Tel: 0332 660888 Fax 0332 667206

### YOU'VE EARNED IT! ENJOY IT!

"Most Beautiful House in Venice"

Direct sale. Price: U.S. \$1.35 million. No sales tax, Swiss company. Just across Grand Canal at Salute, 5 minutes from San Marco. Romantic private walled garden with terrace. Contemporary restoration by best Venice architect. Spacious comfort. Superb furnishings optional. 6 large windows open on Giudecca Canal and 3 most famous Venice churches. Large living room, large library, 2 large bedrooms & baths. Dining room, kitchen, abundant closets and armchairs. Laundry. Servants live-in quarters. Must be seen to believe. For inquiries: Tel. (39-45) 7255131. Fax (39-45) 7255523

### MADRID

Facing Bank of Spain, Chancas, exclusive freehold apartment in totally refurbished period building, multi-seller part Madrid within 1 mile Ministry of Finance, Stock Exchange, other Ministries, Parliament, Plaza Mayor etc. 2,100 sqm, 4 bedrooms, 3 bathrooms, full kitchen, living, dining room, garage WC, kitchen, garage 2 cars. High standing, excellent garden with terrace. Ready to move in. £750,000. Fully furnished, all taxes and expenses included. Price without furniture negotiable. Mortgage as suitable. Spanish, French and English spoken. Tel: +3415763300 Fax: +3415763397

### FOR SALE: G.D. LUXEMBOURG

Exclusive property on 30 acres. Old mansion ideally situated and entirely renovated. 400m² living space. Annexes and paddock. Large courtyard garden. Tel: (352) 515899

### ALPS/LAKE GENÈVE - wide range of properties in several areas

FF200,000 - FF450,000 to FF2,000,000. 0784 471377

### ALGARVE - Village with pools, tennis, restaurant etc.

250,000, 5 & 4 Owners Schemes from £17,200. 0253 778841, 24 hrs.

### ALGARVE, PORTUGAL: Partners

required to have villa with swimming pool built. Details: (UK) 0222-307185

### ALGARVE, SILVES, OLD COTTAGE

set in Orange Grove. Many other bargains. Contact Portugal. UK Tel: 081-881-1012. Portugal Tel: (0852) 341026 Fax: (0852) 341025

### COSTA DEL SOL PROPERTIES

Marbella Office. For information & price list ring 081 503 3781 anytime Fax 3558.

### COTE D'AZUR in Monte Carlo, Villa, 5 bed,

3 bath, terraced garden, pool, £210,000. Negotiable Phone France 06872682

### CYPRUS, YERMAVOYA 10 mins beach, in heart of village

1980s villa, 1100 sqm, 4 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255

### ITALY Delightful detached olive oil in Tuscany

1100 sqm, 4 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255

### ON OWN BEACH, in W. Cork. Unique

unfurnished 1000 sqm, 3 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255

### SPAIN NE CALPE, CIBLANCA, SPACIOUS

1300 sqm, 4 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255

### FRANCE

#### LAKE GENÈVE

NEW MODERN LUXURY VILLA

Panoramic views to lake, mountains and Lausanne. 15 mins from Swiss border. 5 mins walk to Tennis, Golf and Equestrian. 4 Double beds with fitted carpets, 2½ baths, luxury fully fitted kitchen with marble worktops. Large lounge, dining room, mezzanine, utility room with washer and dryer, large garage with remote controlled door and carport. Computerised under floor heating. Beautiful landscaped gardens. Fully furnished with new decorator furniture if required. FF 264,200

LES COTEAUX D'EVIAN, FRANCE

TEL: (33) 20756564 from Monday

#### PROVENCE

16TH CENTURY FARMHOUSE

Mythic location. Unspoilt village. Renovated with exposed beams. Stonework & fireplaces. 2400m² accom. incl. 3 separate parts: 4 D/B cottage, 1/2 bed villa, 1 bed studio, V. spacious.

Terraces, swimming pool, beautiful gardens, courtyard, cellars & barn.

Avignon/Nîmes 30km FF2.4M

Tel: London 081 691 1454

France: 33 66 72 86 51

#### BAY OF CANNES

Probably the most delightful holiday apartment house near Cannes. Beautiful panoramic views of whole bay of Cannes and hills de Lérins. 1300 sqm designed to give maximum space with absolute comfort. Exclusively decorated to highest standard. 2000' double terrace with private and garage. An opportunity to acquire a truly magnificent property.

Price FF 2,500,000

FF 2,000,000 exclusive furniture. Tel: London (071) 224 0175 Fax London (071) 224 0176 Fax France (33) 93402010

#### ABSOLUTE BARGAIN, COURCHEVEL 1850

Most delightful 100m² chalet maison from skis and town centre. Beautifully designed to give 3 double bedrooms - 2 bedrooms, living room and dining area. Tastefully decorated with luxury antique furniture. Equipped to highest standard and set before 1st November. FF 2,000,000 exclusive furniture. Tel: London (071) 224 0175 Fax London (071) 224 0176 Fax France (33) 93402010

#### INTERNATIONAL PROPERTY

SWITZERLAND Les Crosets, Valais. 1800 m. Luxury apartment of 200 sq metres, 5 bedrooms, 2 bathrooms, dining room and lounge. Fully furnished for 9 people. South facing. Stunning views of Dents du Midi. In the middle of superb ski area "Forêt de St-Jean". Ideal for winter and summer holidays. Realistically priced at \$ 57,380,000 to include all furnishing and equipment. Telephone +41 254 25491. Telex +41 254 25497

#### TUSCANY. Fine 18th Century house 2 rcs.

3 beds, 1 bath, lift, terrace, furnished 525,000. Tel: 0444 882543

#### GRANITE HOUSE between Chetovard and

Barfleur. At 3000', overlooking bay, beaches and port. Near airport and market town. 2½ acres well maintained gardens and woodland, 2 garages, workshop and outbuildings. 4 beds, 2 baths. Red walled, corner house, 2 sitting rooms, open fireplace 1 large enclosed veranda. Telephone: 010 35 30 54 32 41

#### LITTOREDONNE. Huge choice of old and

new houses, also building plots and plots. Tel: 0802 476995

#### MONTREAL -

Scenic view of St. Lawrence River

A unique property with panoramic view of the St. Lawrence River. 1500 sqm, 4 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255

#### CANNES No 20 2 Bed 2 Bath luxury

apartment overlooking golf course. Pool & Tennis, complete with superb Italian furniture. 2,300 sqm. F.F. 2,400,000

#### MANDELIEU 7 kms. Villa in peaceful

surroundings. 2000m² land - ample room for extension. Pool, Tennis. 2 M.F.F. AZUR INTERNATIONAL. Agency. Tel: 010 331 92 98 81 82 Fax: 92 98 01 11

#### High prestige -

Port La Galère, France

12 km west of Cannes on the bay. Exclusive domain with 1000 sqm plots. 2 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255

#### GULF OF SAINT TROPEZ

SOUTH OF FRANCE

ARCHITECT DESIGNED "MAS DE MONTAUDO". 3000 sqm, 5 bedrooms, 2 bathrooms, 110 sqm, large L-shape lounge, in good condition. £82,000 inc. all services or would consider an exchange in UK or France. Tel (081) 620 8255



## RESIDENTIAL PROPERTY - THE RENTAL SECTOR

## Landlords are flavour of the month again

The property recession has been a boon for the rental market, says Gerald Cadogan

THE RENTAL sector has profited from the recession in the UK property market. Many people rent short-term, for employment or other reasons. But in the past few years many Britons have been renting longer-term until they feel that the time is right to buy - agent's books are full of such people waiting and watching the market for signs of a pick-up.

Before the second world war it was common to rent one's house, in London and sometimes also in the country. After the war the habit withered - except for sportsmen renting shooting lodges, hunting boxes or houses for Ascot or Wimbledon.

It was also an era of high income tax: it made sense to be a buyer and to gain as much mortgage relief as possible. Meanwhile landlords fretted that they would never be able to eject tenants from their property because the law would protect them. So they let to companies or to foreigners, who were unlikely to go to court. Gradually the rental market dried up.

In the recession it revived. The new law of assured shorthold tenancies, allowing landlords to regain possession at the end of the lease, has given them the confidence to let

to the British. As the buying and selling of houses slumped, renting grew.

A recent survey by the University of York with the Association of Residential Letting Agents (ARLA) reported that lettings increased in 1992 by an average 13 per cent per agent countrywide, with the largest increase of 21 per cent in the inner London suburbs. Seventy per cent of the lettings were assured shortholds.

While UK interest rates were high, potential house-buyers found that their monthly rent was cheaper than a hefty mortgage, and that it was easier to wait and see how far prices would drop.

The reverse was that would-be sellers became landlords, waiting for prices to rise again. So did those hit by Lloyd's liabilities or other debts, who decided that the rent income from a pied-à-terre was more valuable than the luxury of a second home. The York/ARLA survey found that about one fifth of private landlords in 1992 were people unable or unwilling to sell their properties.

Now it is back to the 1930s. Renting is established again as a flexible alternative that makes sense for landlords and tenants. A glance at the property advertisements shows



To Let signs have proliferated in both commercial and residential property sectors during the recession

how many more homes are for rent, in town and country. The UK is slowly catching up with the rest of Europe, where it is normal for city-dwellers to rent rather than buy.

But the fall in interest rates and prospect of rising house prices changes the picture for those wanting to buy and settle down. They do

not want to miss the turn of the market, knowing that month by month their payments (on an old-fashioned repayment mortgage) cut the building society's share of their house.

For first-time buyers, who can obtain a 5 per cent mortgage if they shop around, it makes sense to buy

now. From rental savings they should be able to recoup their deposit and buying costs in 18 to 30 months, says Yolande Barnes, of Savills. That is one of the reasons behind her bullish view of the property market. All those who have been waiting five years are now eager to make their move. The prob-

lem is, where?

At present there are not enough houses on the market. And until the new private landlords who would not or could not sell their properties change their minds, the stranded tenants wanting to escape to their own place as owner-occupiers will have to carry on renting.

In London the hard core of tenants that all cities have is growing. Ruth Gray of agent John D. Wood reports, as foreign banks and multinational companies look for places to house the extra staff they are bringing to London.

In Arthur Road, Wimbledon, SW19 she could quickly arrange a let at £2,600 a month for a family with three children, for a house which had "sat" for a while at £2,400. This was in August, which is letting agents' busiest time, before school starts.

Whether tenant or landlord, you need a good agent - unless you make the arrangements yourself. For new landlords that is not advisable, as the law has many traps. And even if you are experienced or the tenant is an old friend, it is easy to make a mistake or fail to keep up with the changes in the law.

Do you, for example, know who normally should pay the new council tax? Glenrose Estates' (081-458 7311) useful guides for landlords

and tenants point out that it is the tenant or permitted occupier - even though the tax is a modified form of the old rates, when the landlord often paid.

ARLA (071-734 0555) is the only professional organisation devoted solely to lettings. It has about 500 member offices across the UK, which are growing by 10 a month. Its code of practice is what all letting agents should follow, stressing the duty of care to the tenant as much as to the landlord.

Good agents will check references, prepare the inventory, see that the rent is paid on time (and passed on to the landlord), pay the tax at source that the Inland Revenue may require from landlords abroad, and deal quickly with the sudden failure of the boiler and the other hassles of living in a house or flat one does not own.

Since October 1992 all ARLA members have been bonded by professional indemnity insurance to protect the tenants' deposits and the landlords' rents. They must also have been in the letting business for at least two years and, like solicitors and accountants, have separate client accounts for the money. For letting property they can take commissions only from the land-

## Enfranchisement: the word means freedom

Gerald Cadogan explains how the new leasehold reform act will work

THE ENGLISH and Welsh property markets enter a new phase on November 1 when the Leasehold Reform, Housing and Urban Development Act 1993 comes into force.

When the measure left the House of Commons for the Lords its proposals for leasehold reform had provoked strong reactions from landlords, especially in central London where many of the great estates are situated.

Both landlords and leaseholders are perhaps happier now that the Lords have had their say, although the act will still not satisfy those who saw it as a big step towards abolishing the leasehold system altogether. Indeed, Charles Boston, of surveyor Francis Russell, claims: "The attractive option of a 90-year lease extension [as contained in the act] will perpetuate the system."

From November, though, many people will have the option to enfranchise - the

official term for acquiring the freehold of your house or flat. For complete details, the act can be obtained from Her Majesty's Stationery Office for £19.65, while the department of the environment has prepared a booklet for libraries and citizens' advice bureaux.

The DoE also is planning an advisory agency to help with more complex matters, such as when capital gains tax applies. Liability could arise, for example, when enfranchised owners sell a lease to a third party who was not an original member of the group enfranchising.

To give long leaseholders the right to take a full share - financially and in management - in the ownership of where they live.

This will be done by giving

them a right to buy their freehold or extend their leases, so improving immediately the chances of around 750,000 leasehold flat-owners in England and Wales to get a mortgage for what have been, until now, diminishing assets. The lease extension alternative will be equally effective in improving the scope for getting a mortgage.

To improve the quality of management. This often is woeful, especially in outer London and the south-east. On the great central London estates, complaints about the expense of management are heard regularly.

For enfranchising houses, the act extends the Leasehold Reform Act 1967 (as modified by the Housing Act 1974) and keeps its residency test. Thus,

the property must have been the owner's main residence for the past three years or three of the past 10. The original lease must be over 21 years and the ground rent low.

The old test of a rateable value limit of £1,500 in London, or £750 elsewhere, is scrapped. The new criterion is that the ground rent must have been two-thirds or less of the rateable value when the lease was granted (or of the letting value if that was before April 1 1963), or not over £1,000 in London (£250 elsewhere) for a lease granted after March 31 1990.

Thus, leasehold houses with high ground rents (which applies to many new leases) have no chance of enfranchising until there is another change of law. The alternative of a 50-year

lease extension beyond the original date of expiry is still available - but only for houses that satisfy the rateable value limits of the 1967/1974 rules, not for those that now meet the 1993 low rent rules for enfranchising. There is no capital cost for an extension but it does involve a "modern" (high) ground rent which can be reviewed after 25 years. Any right to buy the freehold is lost.

While mews dwellings, under a separately-let garage underneath, cannot be enfranchised, they could qualify for lease extensions. Houses in cathedral closes will be enfranchisable if they qualify.

With flats, the new rules for enfranchisement say: The building cannot have more than 10 per cent of its

private floor space used commercially.

This means that if the ground floor is all shops, the block must be more than 10 floors high to qualify. (If it does, the leaseholders' company - which must be formed in any case to acquire the freehold - will have to buy out the commercial interest, too. This could be very costly.)

The building must be a vertical unit.

This excludes some flat conversions which spread across what were originally two or more houses.

In addition, two-thirds or more of them must be let on qualifying leases (more than over 21 years) and at a low ground rent (as for houses).

At least two-thirds of the qualifying leaseholders must give notice of wanting to buy the freehold, and they must own at least half the total number of flats in the building.

Likewise, at least half of these qualifying leaseholders must have occupied their flats as their only or main home for the previous year (not three years, as for houses) or for three of the past 10.

Excluded from enfranchising are business tenants, tenants with three or more flats in the building (none qualified), and cases where two-thirds of the qualifying leases end in the next five years and the landlord intends to re-develop. Converted houses with up to four flats and a resident landlord (or adult members of his fam-

ily) do not qualify, either.

There is a blanket exclusion for National Trust and Crown property, although the Crown might not always enforce this. Also excluded are buildings owned by trusts and associations providing charitable housing (this does not include Smith's Charity in South Kensington, London) and buildings exempted by the Treasury from inheritance tax, such as (leased) dowry houses forming part of a state home. There may be only 80-100 such cases in England and Wales.

There is also an exclusion under the 1967 act for houses where the landlord intends to move in and had an interest before April 1966 - meaning that, if he bought it after that date, he should have known he could face enfranchisement.

Flat leaseholders will have an individual right to a 90-year lease extension at a peppercorn rent (whether or not they qualify for collective enfranchise-

Continued on facing page

## LONDON RENTALS

The Association of Residential Letting Agents

**WE HAVE THE WIDEST CHOICE**  
**BECAUSE WE ARE LONDON'S LARGEST LETTING AGENT**

If you are considering renting or letting a property, you can rely on the experience at CHESTERTONS RESIDENTIAL, ESTABLISHED IN THE CAPITAL SINCE 1805

<b>BATTERSEA</b> 172 Lambeth Hill, Battersea, London SW11 5TG Tel: 071 824 3444, Fax: 071 824 3444	<b>FULHAM</b> 654 Fulham Road, Fulham, London SW14 5LJ Tel: 071 731 3111, Fax: 071 731 4536	<b>LITTLE VENICE</b> 26 Chelsea Road, Little Venice, London W9 1SN Tel: 071 266 2264, Fax: 071 266 6949	<b>PUTNEY</b> 153 Upper Richmond Road, Putney, London SW15 2TX Tel: 081 738 4551, Fax: 081 740 1115
<b>CHELSEA</b> 210e West, Chelsea, London SW3 3XL Tel: 071 589 4555, Fax: 071 423 3768	<b>HAMPSTEAD</b> 91 Ham Street, Hampstead, London NW11 0TE Tel: 071 774 1125, Fax: 071 241 9039	<b>MAYFAIR</b> 47 South Audley Street, Mayfair, London W1J 8DQ Tel: 071 629 4513, Fax: 071 613 0311	<b>MANAGEMENT CENTRE</b> 100 Upper Richmond Road, Putney, London SW15 2TX Tel: 081 738 4551, Fax: 081 740 1115
<b>CHISWICK</b> 150 Chiswick High Road, Chiswick, London W4 2JF Tel: 081 747 3131, Fax: 081 747 3109	<b>HYDE PARK</b> 40 Connaught Street, Hyde Park, London W2 2AB Tel: 071 262 2000, Fax: 071 734 4432	<b>NOTTING HILL</b> 8 Manning Hill Gate, Notting Hill, London W11 1NE Tel: 071 221 3500, Fax: 071 792 9012	<b>TOWER BRIDGE</b> 230 Tower Bridge Road, Tower Bridge, London SE1 7UR Tel: 071 377 6911, Fax: 071 377 6944
<b>DOCKLANDS</b> Unit 30, South Quay Plaza, 185 Marsh Wall, London E14 9SA Tel: 071 534 3494, Fax: 071 537 7434	<b>KENSINGTON</b> 116 Kensington High Street, Kensington, London W8 7EG Tel: 071 427 7240, Fax: 071 427 3606	<b>PIMLICO</b> 23 St James Street, Pimlico, London SW1V 4EL Tel: 071 634 9948, Fax: 071 978 2665	<b>WIMBLEDON VILLAGE</b> Sea High Street, Wimbledon Village, London SW19 2EB Tel: 081 879 9222, Fax: 081 879 7203

**CHESTERTONS**  
RESIDENTIAL LETTINGS • SALES • DEVELOPMENTS • PROFESSIONAL SERVICES  
CHESTERTONS RESIDENTIAL IS A TRADING NAME OF WILKINSON PROPERTY SERVICES LIMITED

ARLA is the only professional and regulatory body solely concerned with residential lettings

**ARLA**  
Association of Residential Letting Agents  
19/21 Jermyn Street, London SW1Y 6HP  
071-734 0655

ARLA members hold professional indemnity insurance and comply with the requirements of the Association's Fidelity Bond

**HAMPTONS**  
RESIDENTIAL LETTINGS

<b>LONDON</b> Belgravia, Knightsbridge, Mayfair 071 493 8222 Chelsea 071 370 0774 Hampstead 071 531 1162 Kensington 071 937 9471 St John's Wood 071 586 9595 Wimbledon 081 944 1301 Putney 081 868 3144	<b>SOUTHERN ENGLAND</b> Bath 102255 44704 Beaconsfield (0494) 071511 Cheltenham (0242) 263559 Cobham (0932) 868127 Guildford (0483) 577577 Maidenhead (0628) 75881 HONG KONG 702 Rutong House, Rutong Centre, Duddell Street, Hong Kong
---	---

Local Office at 100 Regent Street, 21 Jermyn Street, London W1A 1BB  
HAMPTONS IS A MEMBER OF THE ASSOCIATION OF RESIDENTIAL LETTING AGENTS (ARLA)

**SAVILLS**  
INTERNATIONAL  
**Rentals**

139 Sloane Street, London SW1X 9AY  
Tel: 071 730 0822

7 Perrins Court, Heath Street, London NW3 1QS  
Tel: 071 431 4844

**1993 Savills Average Prime Central London Rents**

Flat Type	Average Rent Paid Per Week
1 Bed Flat	£338
2 Bed Flat	£447
3 Bed Flat	£598
4 Bed Flat	£783

**Nationality of Tenant**

UK	£468
European	£528
Japanese	£512
American	£571
Other	£450

**Age of Occupier**

20-29	£298
30-39	£337
40-49	£377
50-59	£513
60+	£724

Member of ARLA  
INTERNATIONAL PROPERTY CONSULTANTS

**CLUTTONS**  
**THE CIRCLE, SE1 - £175 P.W.**

Large selection of properties both furnished/unfurnished close to Tower Bridge, Butlers Wharf, St. Katherine's and Wapping. From £130 - £800 p.w.

**TRAFALGAR AVENUE, SE5 - 1750 TOWN HOUSE**  
Retaining many of the original features. 2 bedrooms, bathroom, 2 cloakrooms, kitchen/breakfast plus further 2 reception rooms. Fully furnished - £300 p.w.  
For further details contact:  
Eileen Dwyer, 3 Gainsford Street, Tower Bridge, SE1 2NE  
Tel: 071 407 3669 Fax: 071 407 4479

**AYLESFORD**  
Queen's Gate Gardens, London SW7  
Superb Ground Floor lateral conversion. Own entrance, large reception with high ceilings & strip wood floors. Two spacious double bedrooms, further bedrooms and shower room. Excellent kitchen/dining room and use of gardens. Available unfurnished - long let.  
Price £750 per week 071 351 2383

**Knight Frank & Rutley**

<b>Brooks Mews, W1</b> £575 per week Stylish interior designed flat with large, well planted terrace. 2 Double Bedrooms, 2 Bathrooms. Double Reception Room. Kitchen, Garage Space. Mayfair 071-629 8171	<b>Christchurch, SW3</b> £895 per week Charming house in a quiet location. 4 Bedrooms, Bathrooms. Shower Room. Cloakrooms. 2 Reception Rooms. Kitchen. Roof Terrace and Patio. Chelsea 071-824 8231
<b>Collingham Gardens, SW5</b> £450 per week Attractive, light 4th floor flat. 2 Double Bedrooms, 2 Bathrooms. Good sized Reception Room. Kitchen/Breakfast Room. Kensington 071-937 8203	<b>Keppier Wharf, E14</b> From £235 per week A selection of one, two and four bedroom apartments, furnished and well decorated flats with excellent river views and parking spaces. Wapping 071-480 6848

MEMBER FIRM ARLA

**WAGELLIS**

Draycott Place, SW3  
A recently decorated third floor flat providing light and comfortable accommodation. Double bedroom, bathroom, double reception room and fully fitted kitchen. £225 pw

Beaconsfield, SW1  
A newly decorated second floor flat, providing light and well-proportioned accommodation. Two double bedrooms, bathroom, double reception room and fully fitted kitchen. £275 pw

Old Church Street, SW2  
A superb second floor flat, decorated and furnished with great style, with exposed beams and a roof terrace. Master bedroom, ensuite shower room, guest bedroom, bathroom, double reception room and fully fitted kitchen/dining room. £250 pw

Elm Park Road, SW3  
An immaculately presented second floor lateral conversion, providing light and elegant accommodation. Master bedroom, ensuite bathroom, double bedroom, bathroom, double reception room and fully fitted kitchen/dining room. £250 pw

Leicester Gardens, SW1  
A stunning ground and lower ground floor refurbished maisonette, totally refurbished throughout, providing elegant and spacious accommodation with a patio and use of the square gardens. Three double bedrooms, two bathrooms (one ensuite), cloakroom, dining room, sitting room, large hall and fully fitted kitchen. £1300 pw

General Road, SW1  
An excellent unfurnished family house, newly refurbished and beautifully decorated, with a pretty paved garden. Master bedroom, ensuite bathroom, two double bedrooms, two single bedrooms, 2 bathrooms, dining room, sitting room and fully fitted kitchen. £250 pw

TEL: 071 581 7654

**Douglas & Gordon**  
ESTABLISHED OVER 30 YEARS  
CHELSEA, KNIGHTSBRIDGE, BELGRAVIA, KENSINGTON  
21 MILLS STREET, LONDON SW3 2SD  
071-720 0666 (London)  
FAX: 071-225 3961

HANS PLACE, SW1. A very bright 1 bedroom furnished flat. £250 per week.

CHANNY GARDENS, SW2. 2 bedrooms, 2 bathrooms, 2 terraces. £290 per week.

CAPOGAN SQUARE, SW1. Superb 1st floor flat. 2 bedrooms, 2 bathrooms, 2 excellent reception rooms. £1250 per week.

ASTELL STREET, SW1. Low-built unfurnished family house with a garden and garage. £250 per week.

**COUNTRY RENTALS**  
HIGH QUALITY COUNTRY HOMES FOR RENTAL IN SURREY

Professional management  
Maintenance to a high standard  
Excellent facilities for long let  
Free house (20-25 years)  
Your choice to buy

**BOURN ESTATES**  
Tel: 0438 444444 Fax: 0438 444444

**CLUTTONS**  
**HOUSTON, RENFREWSHIRE**  
Near Glasgow.

**TO LET**  
Superb historic mansion house in very good order. About 10,000 sq. ft. Extensive grounds. Suitable for a variety of uses (subject to planning permission). Glasgow International Airport 7 miles. Estate Office, Houston, Renfrewshire. Tel: (0505) 612124

**EXECUTIVE LETTINGS**  
Luxury flats/houses for rental throughout Essex From £500 pcm - £2,500  
e.g. LUXURY PERIOD HOUSE - WITLIE  
5 Beds 3 Bathrooms £2,500 PCM  
Tel: 0277 210011  
Members of ARLA

**MUNDAYS**

**Halcyon House Management Ltd.**  
Hertfordshire's leading professional letting agents for over 20 years, specialising in finding Tenants good homes whilst caring in detail for Landlords' interests.  
Market Place Chambers, 1 Market Place, Stevenage, Herts. Tel: 0438-367891 Fax: 0438-314402

**FRIENDS PALACE**  
Residential Properties available and required to let furnished/unfurnished in Chelsea, Belgravia, Kensington, Fulham  
Call Friend & Palace for all your rental requirements

Chelsea Office  
293 Brompton Rd  
London SW3 2DZ  
Tel: 071 225 0814

Fulham Office  
46 New Kings Rd  
London SW6 4JJ  
Tel: 071 731 3441

MEMBER OF THE ASSOCIATION OF RESIDENTIAL LETTING AGENTS

**Keith Carleton Groves**  
The letting professionals companies rely on for excellent all round service in both finding their ideal home and care and attention during the tenancy

**ST JOHN'S WOOD OFFICE**  
Tel: 071-586 8817  
Fax: 071-483 2373

**TOWER BRIDGE**  
3 bed riverside flat with balcony overlooking Tower Bridge.  
Porterage & underground car parking inc. £490 pw.  
Tel: William H Brown  
071 636 2736. ARLA

**HIGHGATE**  
Ground Floor Apt. 3 bed 3 bath an suite  
50 ft. reception modern kitchen, garden, garage, £850 pw Comanbuild 081 348 6363/4926.







## RESIDENTIAL PROPERTY - INTERNATIONAL

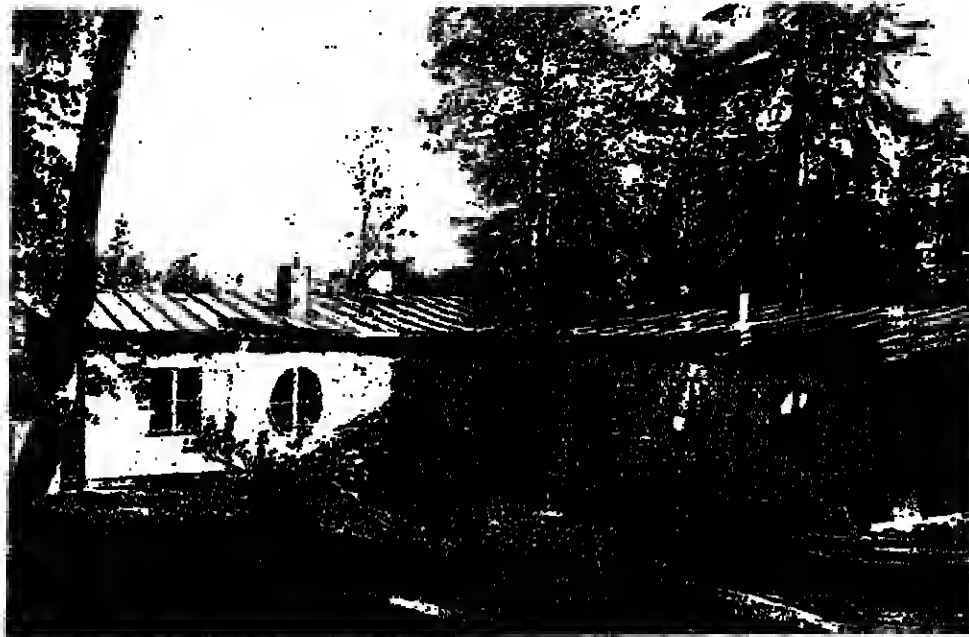
## A hint of a smile in the Nordic markets

There is increasing foreign interest in home-buying in Sweden, Norway, Denmark and Finland. Christopher Brown-Humes reports

FOR THE first time in three years, estate agents in Stockholm are starting to smile. Like those in the UK, they did well from the late 1980s when housing prices climbed 50 per cent or more, but the 1990s have proved wretched, with prices falling by at least 30 per cent and turnover slowing sharply. Now, the market once again looks at a turning point, with clear signs of a recovery over the traditionally quiet summer months.

"Things have been a lot busier since June," says Thomas Vetterli, a broker with Mats Holmgren, one of Stockholm's leading real estate companies; to make his point, he noted that he had been forced to shorten his annual holiday by two weeks to cope with the upsurge. Agents elsewhere in Sweden also point to an improvement in sentiment, although most speak of a patchy recovery and are wary of pronouncing the recession over just yet.

What goes for Sweden goes, in general terms, for the rest of the Nordic region. House prices across all the countries in the area - Sweden, Norway, Denmark and Finland - have fallen sharply during the 1990s, mainly because of recession and sky-high mortgage rates. Now they have fallen sharply, some of the accumulated pent-up demand has been unleashed; in Sweden, for example, mortgages can be had for 8.75 per cent, a 17-year low. In oil-rich Norway, which has a stronger economy and



A typical villa in north Stockholm: the Swedish market may be at a turning point

less unemployment than either Sweden or Finland, the housing market is now to a firm recovery phase. But this follows a five-year-long recession during which prices in the Oslo area fell by 40 per cent. And the market in Finland, which has the region's most serious structural economic problems and unemployment of more than 20 per cent, remains very depressed.

The surge in Swedish buyer interest is so new that prices have yet to move up sharply. In any case, it is apparent that purchasers are being very cautious and more selective. So far, only condominiums - flats

bought in apartment blocks - are showing signs of recovery. Even there, potential buyers are worrying about maintenance charges. One reason is that the cash-strapped government intends to scale back housing subsidies sharply over the next decade, causing a shortfall that will have to be made up by owners.

"Buyers are very concerned if there are plans to renovate the block because this leads to a higher monthly charge. It explains why people are very anxious to look into the balance sheet of the property before they buy," says Alf Midby, who owns a company

specialising in more exclusive properties. Buyers are also proving wary about villas, although this is because property taxes on houses are higher than on flats. Average prices for villas in Sweden now lie at around SKr500,000 (£41,300), although the figure in the Stockholm area is SKr884,000.

At Midby's end of the market prices have fallen by an average of 30 per cent in the past three years, but he stresses there have been wide variations depending on location and quality. A villa in the capital's smart Stockholm suburb was sold for SKr3.8m in



This villa in the Stockholm archipelago is on offer for SKr4.5m (around £372,000) through Alf Midby

November 1990, but the purchasers got barely half that when they sold it this summer for SKr4.5m.

Recovery in the housing market is likely to be slow, in any case, because of Sweden's overall economic condition. Although exports are rising, the domestic economy remains very depressed. Unemployment, already 13 per cent, could reach 16-18 per cent next year and private consumption is still falling.

Like Britain, there is also the problem of negative equity - those saddled with a mortgage which is higher than the value of their property. In the greater

Stockholm area, an estimated 22 per cent of owners - broadly, those who bought between 1987 and 1992 - are believed to be caught in this trap. In 1991, the figure was just 2 per cent. For Sweden as a whole, the rate is 10 per cent.

Increased interest from foreign buyers is helping, indeed, Holmgren supplies a contrast drawn up in English or German, something it has only started doing in the last year. To many, this is surprising because there has never been a big foreign demand for Swedish property.

The legal restrictions placed on housing sales to foreigners

has been part of the cause. Then again, Stockholm has, traditionally, been one of Europe's most expensive cities, lacking the cosmopolitan charms of London or Paris. Even with the summer cottage market, the Swedish climate has proved a big deterrent.

The situation has changed over the past year for two reasons. First, many of the restrictions on foreigners buying Swedish property were abolished at the start of the year. Second, there has been a huge devaluation of the krona since Sweden floated its currency last November. Foreigners now see a chance to buy cheaply

before the market recovers. The interest is coming particularly from foreigners with Swedish relatives, businessmen and embassies. There are also rich Swedes living abroad - people who did well from the last property boom and moved abroad to avoid tax but now believe the market offers good value again.

Sweden and Finland remain sensitive over foreign purchases of their summer cottages, and it has become an issue in their talks on joining the European Community. In particular, they worry that the Germans, exploiting the strong D-mark, will swap up their cherished *stugas* - which often lie deep in the forest or on the coast - and price locals out of the market.

For the moment, this fear probably is overdone, although there are reports that sales to foreigners of summer properties in southern Sweden have risen by 42 per cent in the past year. Parts of southern Sweden are just three hours away by ferry from northern Germany.

In any case, the Swedes are keeping some restrictions. Foreigners without Swedish connections, and who cannot meet certain residence requirements, still have to get a special permit to buy a property for recreation. In most cases, this is just a formality; but in certain areas, applications can be refused in the interests of taming demand and stopping prices from rising beyond the reach of local people.

## Where to search for that second home

IT WOULD be interesting but probably impossible to define the ideal holiday home because individual needs are so different. So how does one go about finding one's holiday ideal?

Rich sources of ideas are the international property exhibitions, held in spring and autumn and advertised in newspaper property pages.

The World of Property exhibition is now on in Manchester with more than 100 exhibitors and an expected attendance of 10,000. The French Property exhibition is another that

draws about 7,000.

Many buyers choose in a resort where they have spent foreign holidays, although if they plan to use the property for later retirement, they may find the place a ghost town out of season. Other holiday homes are bought as the result of visits to friends' properties.

Spending holidays in rented properties in different resorts gives opportunities for comparison both of areas and prop-

erty. The Spanish Villa Bureau (081-888-2242) has a choice of homes for renting on the Spanish mainland, Balearics and the Canary Islands.

Some holiday home buyers will shop for a rural ruin. But how do they find that without unnecessary risks and no building experience?

Well, they could talk to Stanley Silver. After retiring from an export company Silver, who speaks French, went around

Normandy and bought several neglected farmhouses. He had them partly renovated by local builders and put them back on the market and found there was a demand for them.

Although his home is in London (071-602-2023) he has formed a company, Prince Estates, in France. Through his connections he is offered places that never reach estate agents. He buys the best and always has 20-40 available

for selling on, priced perhaps from £7,500 to £20,000.

Purchasers can make a choice and be can arrange through the local builders to have as much or as little done as the buyer wants. He prices each job - £2,000 for a septic tank, £1,500 for rewiring, etc. If he has not improved a property himself he is there to give advice on what needs to be done.

Perhaps you would prefer

Italy, but still with a guiding hand? A British couple, Patrick Beattie and his wife, Danny, bought a property in the Marche region, learning procedure as they went along.

They have now settled there and turned their experience into a business, offering to help with buying and restoration. They call the company Followus. Their brochure gives clear details of their service and the sort of rural properties

that might be bought. (Tel Italy 733-593917 or London 071-862-9883).

A worldwide property search service was recently introduced by Sotheby's. A client seeking a second home and with no idea where to look, can go to the agency's New Bond Street, London, office and sit at a computer.

Beginning with a colour-coded map of the world on screen, he can touch the region

in which he might be interested and work through to the country and area. Eventually, when several possible choices have been made, a list of properties selected is shown and brochures with complete information are produced.

The system stores about 500 to 600 properties and is updated every month. It is available in Sotheby's offices in Geneva, Monte Carlo, Vienna, Hamburg, Athens and Milan and many offices of Sotheby's agents in the US.

Audrey Powell

## INTERNATIONAL PROPERTY

HASSETT  
ESTATE AGENTS

CO KILDARE - IRELAND  
OUTSTANDING COUNTRY ESTATE  
FOR SALE BY PRIVATE TREATY

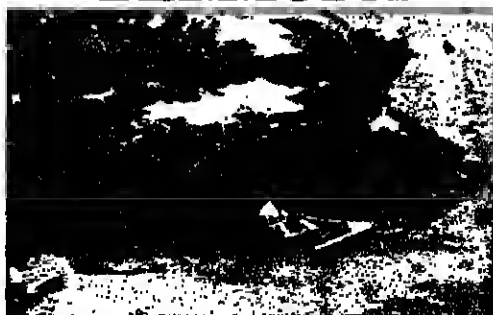


Magnificent 600 acre estate with classic Georgian Mansion, 3 storey granite building with colonnades adjoining it to two storey wings. Rich fertile parklands, woodlands and 27 acre lake with 2 islands. Located 14 miles from Dublin city centre and 20 miles from Dublin Airport. VIEWING BY APPOINTMENT WITH SOLE AGENTS

Tel: +3531 6600022 Fax: +3531 6605890

125 Lower Baggott Street, Dublin 2

## BERMUDA



## TUCKERS TOWN

For sale and for rent.

A gracious, modern and private property with main house, apartment and water's edge guest cottage. Situated on 2 landscaped acres with citrus, mature trees, flowering shrubs, a vegetable garden and greenhouse. 500' of waterfront with private deepwater dock and moorings. Minutes away from the Bermuda airport, a 7 minute walk to the Mid Ocean Club for world-class golf, tennis, private beaches and club amenities. Live in beautiful Bermuda! This safe, stable and gorgeous subtropical island has available excellent financial and insurance services and unrivalled global communications. Bermuda is only 30 minutes away by air from New York, Boston and Washington D.C.

Bill Lusher at William Lusher Corporation Limited  
Tel: [809] 295-1055 Fax: [809] 295-0555

## LUXURY ITALIAN FARMHOUSE



Beautifully restored 16th Century Stone Farmhouse 1 1/2 hours from Florence & Rome, 10 minutes from Autostrada, surrounded by olive groves, paddocks, woodlands in all 40 acres.

4 reception rooms, large farmhouse kitchen/dining room with AGA, 5 double beds, 4 bathrooms, large swimming pool, delightful terrace gardens, garage, stable block, all weather riding arena, full CEI by gas, spring and well water.

Price £695,000

Contact for brochure: W Samengo-Turner

Tel: Italy 39763 87362 Fax: 39763 87001

## BRITTANY

Nr. Guingamp, Cotes D'Armor



Charming secluded 15th century chateau with 10 bedrooms, recently restored, 150 acres of forest and parkland, guest lodge, private chapel, farmhouses, extensive outbuildings, small river, near TV, airport, beaches, schools and golf course.

Tel: (071) 581 7942 Price FF 4 million Fax: (071) 823 7379

## ST LUCIA

WEST INDIES



## RODNEY BAY

MARINA FRONT 150 FT

Architect designed, 3 bed, 2 bath, luxury villa. Close to beach, restaurants and fully equipped Marina. - haul out etc. Beautiful gardens - just under 1/2 acre (1,862 sq. m.) US\$575,000. Fully furnished.

For details:

Fax: (809) 452 0071

Tel: (809) 452 0450

## ITALY

THE MARCHE



Follows have lovely houses for sale in this beautiful region of Italy. For brochure tel. 01039733598917 Fax 290074

## SPAIN



Farm in Girona, 20km to Penedas, 4km to Figueras, 12km to Barcelona. 45 Hectares irrigated land: 17 miles 3, 5x3, 5m, 20 x 40m. 10 hectares of meadowland, 30 hectares of cultivation, 5 Hectares of forest.

Small house: 3 bedrooms, 2 bathrooms, living room, kitchen. Big house: Restored XVII Century 700 sq. m., 5 bedrooms, 5 bathrooms. Offers to Tel: (34) 1-431-84-38 Fax: (34) 1-431-81-10

## FOR SALE

Extremely large areas of building land beautifully situated on the Canary Islands (Tenerife and Lanzarote) and in Spain (near Cadiz) suitable for hotels and/or residential use. Further monumental hotels on Tenerife are for sale. Please contact by fax or phone +41-72-69-12-76.

## BAHAMAS

3 ACRE ESTATE

TAX HAVEN WITH AUTOMATIC RESIDENCY

USA 25 miles Superb house & pool with separate Guest House/pool. Staff Quarters. Secure investment. Stable economy & excellent infrastructure. No personal or inheritance taxes. Only US\$1.9 million - ONO for quick sale.

Brochure on request

Seymour Harris

Tel: London - 081 847 4111

Fax: Bahamas - 809 373 5647

## BERMUDA -

"Another World"

Fine Residential properties for sale. Condominiums from U.S. \$600,000. Houses from U.S. \$2.5 Million.

JEFF PAYNE REALTY LTD.

TEL: 809-292-9175

FAX: 809-292-9175

## TUSCAN

HILLSIDE

Glorious views, restored farmhouse of unique character 18 km E of Siena; 12 rooms & outbuildings arranged around a courtyard; 3ha olive; large mosaic lined pool, own well, mains electricity.

Offers on £260,000

Tel: (London) 81-340-9933

or Fax: 81-348-7676

FOR SALE  
SWITZERLAND, CANTON VAUD  
(Greater Geneva region)

## Castle

of great

distinction,

classified

Monument of

National

Interest.

13th century,

beautifully

restored and

modernised.

## RESIDENTIAL, EQUESTRIAN ESTATE AND PRIVATE MUSEUM

IN LOVELY COUNTRYSIDE, CONSISTING OF THREE BUILDINGS:

● MAIN BUILDING WITH TOWER: 14 ROOMS, BIG RECEPTION ROOMS

● COURTYARD: DUPLEX 6 ROOMS APARTMENT, STABLE, GARAGE

● BARN: 2 ROOMS STUDIO, STABLE, GARAGE

Surrounded by more than 20 acres (80,000 m²) land with jumping and dressage rings.

Located 40 miles from Geneva and 15 miles from Lausanne, it is one of the last privately owned properties of this kind.

Further information fax +41/1930 7509 or P.O. Box 183, 8622 Wetzikon, Switzerland.

A VERY ATTRACTIVE  
OPPORTUNITY  
AT QUINTA DO LAGO

The Vilas do Lago Resort is set in the heart of Quinta do Lago, a place where colourful flowers, shrubs and umbrellas pines abound for as far as the eye can see.

Championship golf courses, tennis, watersports, swimming pools, horse-riding, and walks of unparalleled natural beauty are all on your doorstep when you own your own home in the Algarve at the Vilas do Lago Resort.

To get a taste of the pleasure that owning one of these homes brings, ring 0483 771203 for our brochure and inspection trip details.

VERY ATTRACTIVE PRICES

Freehold properties from only £52,000

Four Owners Scheme from only £19,000

All properties inclusive of furnishings.

Prices correct at time of publication.



"My family and I have fallen in love with Vilas do Lago. There are few venues in Europe so ideal for golf all year, from sunrise to sunset! And none better for family leisure."

Bernard Colchester

Ryder Cup Team Captain

## TRAFALGAR HOUSE EUROPE

## COLLECTIONS IN IMMOBILIARE

TUSCANY

Casals, Villas, Farmhouses, and of course farmhouses and barns. Professional assistance throughout. Property also available elsewhere in Italy.

For more information

Tel: Florence 39 55 8549167

Fax 39 55 8572587

## BORTH FOR SALE, SOUTH OF FRANCE

FF900,000

PORT DE LA MARQUE, MANDELIU

18M Length x 4.25M Width

MODERN WELL SERVED MARINA

4 miles west of CANNES

45 Mins. Car from NICE

Storage Box also available

Tel: 44 (0) 71 337 2371 Evening line 24,9,30



LONDON PROPERTY

TWO PERIOD BUILDINGS OVERLOOKING THE GARDENS OF CADOGAN PLACE

48/49 CADOGAN PLACE, London SW1

TWO FINE APARTMENTS FOR SALE

- Ground and Garden Floors - Sold
- First and Second Floors - Four Bedroom Maisonette
- Third Floor - Sold
- Fourth and Fifth Floors - Three Bedroom Maisonette with Terrace

125 Year Leases

Prices on Application

CLUTTONS

LONDON RESIDENTIAL AGENCY

071-584 2044



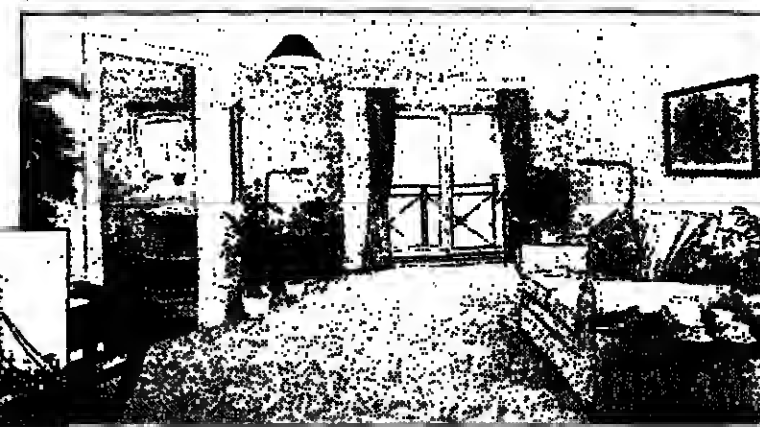
COPPING JOYCE

ESTABLISHED 1988  
SURVEYORS & VALUERS  
ESTATE AGENTS  
216 STAFFORD AVENUE LONDON  
W11 4BB 071-836 2668  
Great Percy Street, WC1 - 4 Storey Georgian town house. Splendid features. 4 bed, 5 bath, garden, fireplace. £230,000. Viewing 071-230 4221  
Mossburn Street, WC2 - Terraced house. Reception, 2 bed, 3 bath, heart of Covent Garden. Near St. James's Park. £230,000. Viewing 071-836 2668  
Sebastian Street, EC1 - Four storey Georgian house requiring total modernisation. Freehold. £220,000. Viewing 071-230 4221  
Seckford Street, EC3 - 3 bed, refurbished maisonette within Georgian Terrace. Leasehold. £149,500. Viewing 071-230 4221  
Red Lion Square, WC1 - Within King's Cross. Lower ground floor, 2 bed flat. Commercial outside access. Leasehold. £125,000. Viewing 071-836 2668  
Odhams Walk, WC1 - One bedroom top floor flat. Heart of Covent Garden. Use of communal terrace. Leasehold. £109,500. Viewing 071-836 2668  
Head Office: 202-203 St. Paul's Road, London N1 2J1

David Morris & Co  
CHELSEA SW10  
Imaginatively designed large third floor flat, in prime location overlooking the river. Ideal for commuting. 4 bed, 3 bath (1 en suite), drawing rm, sep dining rm, well fitted kit, utility rm, porter, 100 cable TV, storage. approx. 130 sq ft. £415,000. Tel: 071 235 3111 Fax: 071 281 4484

STROLL INTO THE CITY FROM YOUR FULLY FURNISHED SHOWHOUSE AT SCOTTS.

At Scotts, Sufferance Wharf, SE1 you'll find the location convenient, only a short stroll from Tower Bridge and the City. And now you can stroll into one of our fully furnished showhomes. There's a well appointed and equipped kitchen with an excellent standard of finish throughout. Plus you'll have a view over a peaceful landscaped courtyard. There's also video entry system, portage and secure underground parking.



There's a choice of 1, 2 and 3 bedroom apartments starting from just £99,500. Stroll along to see your showhome apartment at Scotts Sufferance Wharf, Mill Street, SE1 between 10am and 5pm or call 071-237 5260 (24 hours) for more details.

Bovis Homes



LITTLE VENICE

- Freehold Mews Houses • 3 Bedrooms • 2 Bathrooms • Shower Room •
- Luxury Kitchen • Large Integral Garage • 1,381 sq ft •
- 300 Yards from Underground •

SALES OFFICE OPEN 7 DAYS A WEEK 10PM-4PM 071-266 4636

PRICES FROM £260,000

BRISTOL MEWS

LITTLE VENICE, LONDON W9 (OFF BRISTOL GARDENS)

ALLTOP 071-584 6106

Trade Tower

PLANTATION WHARF BATTERSEA REACH SW11

"THEIR BEST FEATURE IS THE FLOOR-TO-CEILING WINDOWS, GIVING VIEWS ACROSS THE THAMES" Daily Telegraph 7.10.92

"MASSES OF STYLE BY THE RIVER... SENSIBLY PRICED HOMES" Daily Mail 28.9.92



Don't miss it!

Call the Plantation Wharf Sales Office today on 071-924 3641

CHELSEA HARBOUR



Apartments from £236,000 Townhouses from £566,000

Harbour Estates - Tel. 071-351 2300 Chelsea Harbour, Lots Road, London SW10

BLYTHSWOOD, BRONDESBURY PARK, LONDON NW 6. THE CONSTRUCTION OF THE FINAL PHASE COMMENCES OCTOBER '93. REDISCOVER BRONDESBURY PARK ELEGANT LONDON LIVING AT ITS BEST.

LOCATED WITHIN 4 MILES OF THE WEST END AND ONLY 3 MILES FROM HAMPSTEAD AND ST JOHN'S WOOD THE FINAL 10 HOUSES UNDER CONSTRUCTION WILL OFFER A CHOICE OF 3 & 4 BEDROOM, WELL PROPORTIONED HOMES IN A VARIETY OF STYLES.

RESIDENTS AND INVESTORS WILL APPRECIATE AND ENJOY THE PEACEFUL LOCATION, INDOOR SWIMMING POOL, SAUNA AND SPA BATH AND EFFICIENT AND DISCREET SECURITY FACILITIES. BLYTHSWOOD IS LONDON LIVING AT ITS BEST.

REDISCOVER BRONDESBURY PARK AND YOU'LL DISCOVER BLYTHSWOOD. YOU WON'T REGRET IT. FREEHOLD PRICES FROM AROUND £199,950 - £245,000

Show House Open Seven Days a Week. Tel: 081-451 3949

Bovis Homes

MONKWELL SQUARE LONDON WALL EC2

A distinctive new building within the City of London containing 5 apartments with car parking. Benefits include excellent security and passenger lift.

3 apartments remain for sale:

- 1 Bedroom: £155,000
- 2 Bedroom: £165,000
- Duplex Penthouse: £225,000

\* ALL APARTMENTS ARE SOLD ON 125 YEAR LEASES

\* 10 YEAR WARRANTY UNDERWRITTEN BY THE DEVELOPERS - MEPC PLC

DTZ Debenham Thorpe Residential 071 235 8888 116 Mary St, London SW1W 9QH

Knight Frank & Rutley International 071-480 6848

YOUR OWN HOME IN LONDON'S FINEST "VILLAGE" MAYFAIR, LONDON W1

Situated in the heart of Mayfair the houses at 27-30 Hays Mews are ideally situated off Berkeley Square, close to all West End facilities.

Each mews house comprises well planned, individually designed accommodation, featuring double reception, a choice of 2 or 3 bedrooms, full security systems and most have private garages.

Prices from £300,000 Subject to contract. For a brochure and full details tel: 071-408-1161

DTZ Debenham Thorpe Residential International Property Advisers



HALKIN GATE HOUSE BELGRAVIA, SW1



A LOW-BUILT, GRADE II LISTED HOUSE OF VIRTUAL NEW CONSTRUCTION, WITH CIRCA 8,300 SQUARE FEET NETT SITUATED ADJACENT TO BELGRAVE SQUARE.

5/6 Bedrooms: 4 Bathrooms: 2/3 Reception Areas: Drawing Room and gallery Dining Room: Kitchen: Cloakroom: 42 ft Swimming Pool complex: Staff Flat: 2 car Garage: Terrace:

SAVILLS 071-730 0822 LONG LEASEHOLD Price on Application DE GROOT COLLIS 071-235 8090

ROYAL ELTHAM (CONSERVATION) - Individual modern 5 bed house; picturesque mature garden; freehold; 20 mins City. Tel: 081 850 7989

EXCELLENT INVESTMENT OPPORTUNITIES IN UK RESIDENTIAL PROPERTY

UK Property Investments specialise in finding UK properties on behalf of overseas clients and currently have a number of opportunities for sale to International Companies, providing excellent returns and secure income. Mortgages available, subject to status. For brochure and further information phone or fax our London office NOW on:

Tel: Int +44 81 446 8431 Fax: Int +44 81 446 8558

ROWLANDSON HOUSE 289-293 BALLARUE LANE FINCHLEY LONDON N12 8NP

HOLMAN'S

Specialists in Acquiring Residential Investments

BLOCKS OF FLATS SINGLE FLATS ROWS OF HOUSES SINGLE HOUSES NEW DEVELOPMENTS LETTING SERVICE

9 Milner Street, London SW3 TEL: 071 823 7722 FAX: 071 823 9694

FRANK HUGHES & COMPANY

CITY OF LONDON BARBICAN Split level flat on Jubilee Road, West End. Views over Regent's Park. Up/down kitchen. £295,000

CONY. WAREHOUSE SE1 1-2 bed maisonette with timber floors, painted brick walls, roof terrace (19'x9') with views to St Paul's. Main room 20' x 17' with open plan kitchen £150,000

Tel: 071 600 7000

LONDON - HAMPSTEAD AREA

Lovely tree lined street. Beautifully renovated flat with welcoming atmosphere. 4 bedrooms, double sized reception room, dining room, kitchen fully equipped, bathroom, hallway and 2 separate wc; gas chi well proportioned rooms with high ceilings. Well maintained massive building circa 1900. Located walking distance to shopping, transportation and restaurants. Leasehold/freehold title. Owner sale. Price £255,000. Will also consider rental £500 per week. Fully furnished and available.

Tel: National: 0234 391381 Fax: 0234 391319 Int: 44 234 391381 Fax: 44 234 391319

PORTMAN HERITAGE

Knightsbridge 'In The Park' SW1 Last 3rd flr 2 bed apt, sep shower, superb views over Serpentine/ Hyde Park. Lease 99 yrs. £299,999 STC FOR QUICK SALE. Sole Agents.

Knightsbridge, W8 Spacious terraced 2 bed apt, 2 1/2 baths, guest cloak, reception room, kit & conservatory. Free state of PFI. Long Lease 115 yrs £129,500. Sole Agents.

St John's Wood, NW8 (100 Avenue Rd) Prime with roof terrace, pkg spec, 100, 3 beds (4th bath/alcove rm to master bed) sep shower, recep, dining, kit. The view over Regent's Park. Long Lease 99 yrs £495,000 STC Sole Agent.

W1 "Fire Side", prestigious 1 bed apt, bath, new kit, recep rm & balcony. Piv w/sg pkg spec. High Security flat. 92 sq ft lease. £45,000 w/sg pte pte. £155,000 STC Tel: 071 235 3854/031 687 231

ST JAMES'S STREET SW1

A spectacular historic penthouse of over 3,000 sq ft in unique building in the heart of St James's. 92 years lease £275m

HOENE & SONS 071 499 9944

BLOMFELD ROAD, W9

Facing south over the Regent's Canal on tree lined road. Marble Arch approx 1 mile away. 4 bedrooms terraced house. 3 ensuite bedrooms, 3 receptions. Kitchen. Guest cloakroom. Integral garage & parking for second car. Patio, front & back gardens. Price £295,000 with benefit of freehold

CHESTERTON'S Tel: 071 286 4632 Fax: 071 286 6949

CHESTERTON'S

HOWLEY PLACE W2 An exceptional free hold semi detached house in a conservation area, featuring an 80' garden transformed into a garden, 5 bedrooms, 3 receptions, conservatory. Under renovation. Freehold. £799,000.

BANDOLPH AVENUE W9 Overlooking Little Venice's popular "triangle" communal gardens, attractive 3 bedrooms 2nd floor flat in superb terrace house. Also comprises large kitchen/breakfast room, reception, bathroom, en-suite shower room. Short of freehold. £250,000

Little Venice office - 071 286 4632

UNUSUAL HOUSE

+3 linked Studios in huge 5-storey 19th century house (ex-school). Over 6,000 sq ft. Major works needed to make this West Kensington house ideal for converting. £395,000 PFI.

IVAN ROSE, FNAEA (Hons) Tel: +44 (0)71-225 1469

PALL MALL, ST JAMES'S, SW1

3,700 sq ft, triple aspect penthouse with views over St James's Palace and south to the Houses of Parliament requiring full modernisation.

86 years Sole Agent £1,450,000 Mellersh & Harding 071-499 0866

TATES

PERMBROKE STUDIOS W8 Period studio house (1891) set in courtyard & gds. Individual and rare, dble height studio room plus gallery area, mod F/F kit leading to conservatory, gdn, 2/3 dble bds plus attic room. Remains home to media & artists. F/H £485,000

TATES 071 602 6020

BEAUTIFUL Detached House in Hampstead

The house has recently been refurbished to a very high standard by a professional interior designer and is ready to move into.

Ideally situated 3 minutes from Hampstead Heath, 10 minutes from central London with easy access to Haverstock Hill and A1, M25 & M1 motorways.

5 bedrooms, 2 bathrooms (1 ensuite), 3 reception rooms, kitchen, guest cloak room. Integral garage and garden. Good investment opportunity. Private Sale.

£528,000 Tel: 071 239 3100 Fax: 071 287 9257

COMMUTER DREAM Liverpool St. Station 4 mins walk. Modern 1 bed flat. Fully furnished. £26,000 - 071 214 5612

W1 CLOSE BPC 3rd Flr L/PB block, Dble bed, 2 baths. Only £87,000. Tel: 0995-288017

W1 CLOSE BPC 3rd Flr L/PB block, Dble bed, 2 baths. Only £87,000. Tel: 0995-288017

GREENWICH. UNIQUE CONVERTED Period studio in quiet lane close to Forest. 3 beds, 2 rms, conservatory. Courtyard garden. Convenient for City and Canary Wharf. P.O.A. Humphreys Sles & Co. 081-287-1887 Fax: 081-287-9519

ST. JAMES'S - A selection of One/Two bed flats. From £140,000 Tel: 071-486-61154 Fax: 071-425-6113

BEAT THE FARE RISE - 1 bed Riverside flat near St. Pauls, roof terrace. £29,500. Tel: 081 471 5850 or 0805 881216

BRYANSTON SQUARE, LONDON W1

Spacious ground floor apartment in one of London's finest tree-lined squares, close to Marble Arch and within walking distance of all amenities.

Accommodation consists of a Master Suite comprising bedroom, bath and dressing room, plus 2 other double bedrooms, bath, and guest cloak, separate entrance hall and large fitted Poggendorf kitchen.

Double aspect lounge/dining room opens onto a patio and your own private garden. Garage available. Excellent security. 99 years approx. £550,000 o.n.o.

Please telephone 071 402 9808

JOHN C. VAUGHAN

CHIEF AGENTS & PROPERTY CONSULTANTS

071-495 4652

We have actively acquired property for retained Private Clients throughout 1992 & 1993 in

Chelsea/Kensington Mayfair/St James's.

Good quality Central London Flats, Houses and Investments are still required

Enjoy your retirement in the country

Serviced cottages and apartments set in attractive grounds with swimming pavilion.

Moreton-in-Marsh - Gloucestershire

Cerne Abbas - Dorset

Alton - Hampshire

£115,000 - £195,000

BEECHCROFT CLASSIC COUNTRY HOMES

1 Church Lane, Wallingford, Oxfordshire OX10 0DX 0491 834975



## RESIDENTIAL PROPERTY - CONSERVATION SOCIETIES

## Conserving the interests of the nation

Gerald Cadogan talks to the organisations working to maintain the old - and not so old - buildings that distinguish Britain

CONSERVATION societies began when William Morris founded the Society for the Protection of Ancient Buildings (SPAB) in 1877. The aim was to defend them against unneeded restoration, a pastime dear to the Victorians - as almost every church in the UK shows. New members are still expected to read and assent to the manifesto.

Among other things, it condemns those - academics especially - who attempt to "restore" a building by fixing its origin arbitrarily at a particular point and ignore its history and life since, he calls this "a feeble and lifeless forgery."

Morris's broadside hits at the heart of the debate on how to treat old buildings. Would he approve of rebuilding Windsor Castle or Uppark, in West Sussex, both damaged severely by fire, exactly as they were? I doubt it, for that is parody. Far better - and braver - to consolidate the charred ruins and build anew.

The SPAB sets the pattern for the other national societies which exist to meet the threats of destruction and public ignorance. It campaigns to save buildings and advise on planning applications to alter or demolish them. Often, they are designated by law to do this, and get some funds from the department of national heritage.

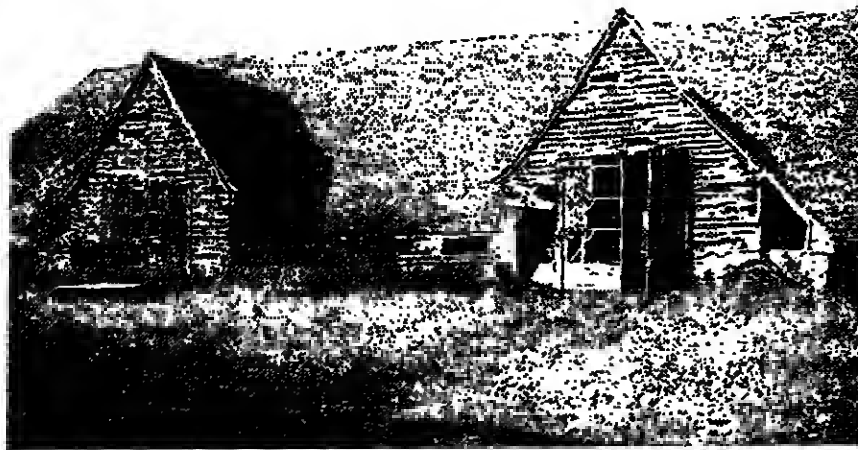
They have lectures and field trips and give parties in period dress in buildings they are defending. They also run courses and publish books and pamphlets to teach about the buildings and how to look after them sympathetically.

It used to be a battle, and still is sometimes, but, nowadays, government and the public are more understanding. All the same, does the government connect Conservatism and Conservation fully?

The SPAB promotes the "P" in its name by stressing regular maintenance and teaching how to repair by means of handbooks, courses and working parties. As one of the designated "amenity" societies which planning authorities consult, it concentrates on pre-Georgian buildings, but will step in for any building of quality of any period.

Full members have an unusual perk. The society sends them (quarterly) a list of houses for sale that need repair, expecting them to follow SPAB principles if they take on such buildings. In a recent issue of this useful list, which includes properties being sold by local councils, values ranged from £5,000 to £4.5m.

The Ancient Monuments Society (AMS) joined the fray in 1924 and is now another designated amenity society, seeking to look after anything man-made - from megaliths to cinemas - and resisting unsuitable changes and unjustified demolition. It handles 5,000 cases a year and its newsletter is packed with helpful information.



The conservationist touch: Leigh Court Barn near Worcester (English Heritage)



Volunteers at work cleaning walls in Audley End House

Bright Young Things started the Georgian Group in 1937 when 18th century London was vanishing; indeed, Nancy Mitford offered to chain herself naked to the railings of a terrace under threat. Now another designated amenity society, it has a young and dynamic leadership which, among other things, opposes golf courses that alter the countryside and its 18th century parks. It runs a lively programme of events in and outside London and abroad.

The Victorian Society has been a force since it began in 1955 to try to save the Euston Arch in central London - the best symbol in the country of the railway age - and the Coal Exchange.

Thanks to relentless campaigning (led, notably, by Sir John Betjeman, the late poet laureate) and now its casework as an amenity society, it has revolutionised attitudes to 18th and early 20th century buildings. Some of its events take place in the untouched late-Victorian house it administers at 18 Stafford Terrace, London W8 (open to the public), which belonged to Linley Sambourne, a cartoonist on *Punch* magazine.

The Twentieth Century Society (TCS), founded as the 'Thirties' Society, takes the story from 1914 to the present. Aims, methods and programme are like the others (would you care for 'A Morning Walk in Wembley?') but it is not yet a statutory

amenity society, although having plenty of casework.

Its message that more modern buildings need to be protected from antipathetic adaptations by listing - the FT's old headquarters at Bracken House, near St Paul's cathedral, was one of the first of its era to get this accolade - is, slowly, being heard. Peter Brooke, the heritage secretary, announced recently the listing of 95 educational buildings, from post-second world war schools in Hertfordshire to the University of Sussex. The TCS does not take sides when architects and critics joust over 20th century styles; only the quality matters.

Save Britain's Heritage, four years older,

is solely a campaigning organisation - and one prepared to fight the whole way, as it did (and lost) for the Mappin & Webb site in the City of London. Successes include Billingsgate fish market in London and Calke Abbey (now with the National Trust).

It does not arrange a programme and spends all contributions (not "subscriptions") on the fight. *Temples of Steam* came out recently; a gazetteer of the pumping stations, water towers, engine houses and dams that are the heritage of the water industry.

Friends of Friendless Churches shares subscriptions with the AMS. It is a small,

## Addresses

- Ancient Monuments Society, St Ann's Vestry Hall, 2 Church Entry, London EC4V 5HB; shares membership and offices with the Friends of Friendless Churches. Joint subscription £12 a year (concessions £8; life £200, £100 over 65).
- Garden History Society, 5 The Knoll, Hereford HR1 1RU. Subscription £15/18 abroad (junior £7.50/9).
- Georgian Group, 37 Spital Square, London E1 6DY. Subscription £20 (students £12.50, life £500).
- Historic Farm Buildings Group, c/o Roy Bridgen, Museum of English Rural Life, University of Reading, Whiteknights, Reading RG6 2AG. Subscription £7.50 (£10 from January 1).
- SAVE Britain's Heritage, 68 Battersea High Street, London SW11 3HX. Annual contribution £10 minimum.
- Society for the Protection of Ancient Buildings, 37 Spital Square, London E1 6DY. Subscription £18 (under 21 and students £8, life £300, corporate rates on application).
- Twentieth Century Society, 58 Crescent Lane, London SW4 9PU. Subscription £15 (concessions £10, non-profit-making bodies £30, other corporate £75, life £450).
- Victorian Society, 1 Priory Gardens, London W4 1TT. Subscription £20 (concessions £12, non-profit-making bodies £30, other corporate £75, life £350).

valuable body that picks up casualties from the Church of England's re-organising of parishes, and works at being steward of Britain's huge inheritance of wonderful churches. The Friends now own several of them.

The Garden History Society (GHS) began in 1965 to promote the study of gardens and conserve historic ones. It played an important part in preparing the English Heritage (EH) register of 1,200 historic parks and gardens. Its conservation officer says councils now consult the GHS, even though there is no statutory requirement yet for them to notify it or EH of garden applications.

The smallest and youngest society (1985) is the Historic Farm Buildings Group, with a dedicated and knowledgeable membership of under 250 which campaigns for the buildings of UK farming history.

Indeed, the officers of all the societies have these qualities, and welcome new members. The societies are charities and benefit from subscriptions paid by covenant and Gift Aid.

## RETIREMENT

## Why do people retire to Chartcombe?

Is it.....

the position overlooking Poole Harbour.....



the luxury apartments.....



the private gate to the gardens at Compton Acres.....



the peaceful setting.....



Or is it the prices from just

£69,000?

Whatever you want from your retirement, Chartcombe offers you the very best. Come and visit the showflat Thursday - Sunday, 11am - 5pm or call for a brochure.

**CHARTCOMBE**  
COMPTON ACRES,  
CANFORD CLIFFS, POOLE  
0202 707296

REGALIAN  
Quality in a word

REMOVAL FEES PAID FOR ALL SEPT. OCT. RESERVATIONS. Please ask for details.

## SCALING NEW HEIGHTS

Steps and stairways can become a problem with age or disability. At English Court, stairs will carry you and your shopping to your front door. We make sure that every part of the garden can be reached by level or gently sloping paths. So a gentle stroll doesn't become a major expedition. Instead, in the peace and beauty of our gardens, it's a pleasure.

Properties now available at Penstones Court, our latest retirement development at Stanton in the Vale, Oxon. Prices range from £172,500. To find out more about these and other properties in Bucks, Kent, Wilt and Somerset, ring us for a brochure.

The English Court Association  
8 Holland Street, London W8 4LT  
FREEPHONE 0800 220858

## LINDSAY SQUARE SW1

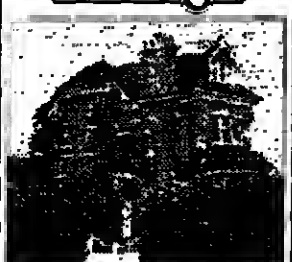
last few remaining

A HANDSOME SQUARE OF FOUR AND FIVE BEDROOM TOWN HOUSES WITH GARAGES AND PRIVATE PATIOS SET AROUND LANDSCAPED GARDENS WITH THE SECURITY OF UNIFORMED PORTERS

from £345,000

**CROWN ESTATE**  
**CHESTERTONS**  
Weekend viewing 071-825 9920

## Kinleigh



## PUTNEY, SW15

A superb detached Victorian house situated in a prime West Putney position benefiting from delightful original features. Currently arranged as three flats, the accommodation comprises 3 reception rooms, playroom,

8 bedrooms, 4 bathrooms, utility & storage rooms plus 2 cloakrooms. There is a 100' x 60' garden to the rear with heated swimming pool, a tennis court & off-street parking.

Price: £575,000 FRESHOLD

KINLEIGH

81-83 LOWER RICHMOND ROAD

PUTNEY, LONDON SW15 1EU

081 785 2122

Where the SQUARE MILE meets the WEST END  
BARBICAN

Apartment for sale in Barbican  
studio from approx £25,000  
Call 071 825 9920  
or 071 825 9921  
Evenings call 071 825 9922

## Fitzrovia, W1

Exceptional Georgian town house  
4 reception rooms, 6 bedrooms  
(incl. staff flat) basement  
kitchen/breakfast room, courtyard,  
Total 4000 sq. feet. Recently  
rehabilitated. Offers around £880,000  
invited for the freehold.

Telephone: 071 580 5889

## No Time To Look?

Let me be your eyes and ears. Let me advise you, the buyer. Let me use my nearly 20 years in the Central London residential property market to buy you the right property, at the right price.

Ivan Rose, FNAEA (HONORARY)

30 Hans Rd, Kensington, SW5 1RT

+44 (0)71-225 1469

## LONDON PROPERTY

## MELBURY ROAD

HOLLAND PARK, W14



An important low-built double fronted detached house with a 150' rear garden and 2 roof terraces.

Entrance Hall; 5 Bedrooms; 4 Bathrooms; 3 Reception rooms; Kitchen/breakfast room; Family room/bedroom; 2 Cloakrooms; Staff Kitchenette; Utility room; Double garage and off-street parking for two cars.

66 Year Lease £2.85m

Sole Agents

35 - 37 DAVIES STREET, MAYFAIR, LONDON W1Y 1PN

FAX: 071 491 8171 TEL: 071 499 3434

## BEANEY PEARCE

## CADOGAN GARDENS, SW3

An exceptionally spacious, first floor flat in this sought after location. Entrance hall, 20' square drawing room, fully fitted kitchen, bedroom, bathroom, balcony, central heating and hot water, lift, resident caretaker, communal gardens. Leasehold 49 years, £225,000.

## EATON SQUARE, SW1

A fourth (top) floor flat in a superb fronted period house with views over the gardens of Eaton Square. Entrance hall, drawing room, dining room, study, kitchen, 5 bedrooms, 3 bathrooms (2 en-suite), shower room, central heating and hot water, lift, resident caretaker, communal gardens. Leasehold new 20 years, £270,000.

## SOUTH STREET, MAYFAIR, W1

An outstanding fifth and sixth floor duplex apartment in one of Mayfair's most prestigious buildings. Entrance hall, drawing room, dining room, study, kitchen, 5 bedrooms, 3 bathrooms (2 en-suite), shower room, central heating and hot water, lift, resident caretaker, communal gardens. Leasehold new 20 years, £270,000.

## HYDE PARK ESTATE, W2

A rare freehold house with direct access to private gardens of Gloucester Square. Entrance hall, dining room, kitchen/breakfast room, study, drawing room, cloakroom, utility room, 4 bedrooms, staff accommodation/bedroom 5, 3 bathrooms (2 en-suite), 2 en-suite shower rooms, balconies, 40' private garden, private parking space, central heating and hot water. Freehold £735,000.

Tel: 071 589 1333 Fax: 071 589 1171

## Keith Cardale Groves

RESIDENTIAL LIMITED

## HYDE PARK GATE, KENSINGTON, LONDON SW7

A stunning apartment directly overlooking Kensington Gardens with glimpses of the Palace beyond.

Imaginatively designed in a modern style with great attention to detail, it includes an impressive drawing room with floor to ceiling windows, balcony, study, gallery, dining room, kitchen, four bedrooms, four bathrooms. Lift, resident porter.

LEASEHOLD 120 YEARS £975,000

Telephone: 071-581 0155 Fax: 071-581 8579

## FULHAM RIVERSIDE APARTMENTS

REGENT ON THE RIVER

SPORTS &amp; HOLIDAY CLUB MEMBERSHIP &amp; PRIVATE SHUTTLE BUS

WITH LANDSCAPES

All of the 2/3 bedroom apartments have river views of which 53 are available in the current phase. A selection are offered with carpets and new furniture packages, and for the investor, some apartments are available already tenanted.

	1993	1992
1 BED APARTMENT	£242,400	182,700
2 BED APARTMENT	£284,000	197,600
3 BED APARTMENT	£346,700	242,400

One full single membership to the exclusive Harbour Club, which adjoins the site is included.

The property features:  
• Private shuttle bus service to and from Fulham Broadway underground station.  
• 24 hour parking and security.  
• Underground parking.  
• Purchase prices from £182,700.  
• 999 year leases available.

SALES OFFICE: Fulham House, Fulham Road, London SW3 6TE. TEL: 071-581 0155

FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156

TEL: 071-581 0155 FAX: 071-581 0156



COUNTRY PROPERTY

CLUTTONS



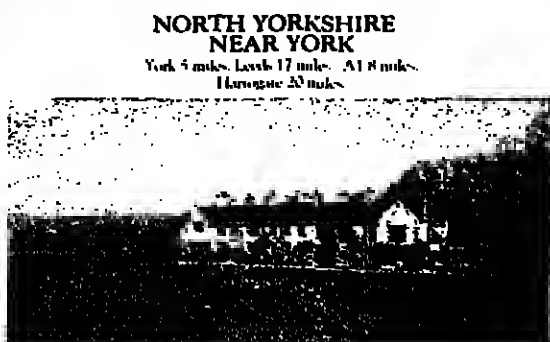
**NEAR BATH**  
The Old Brewery, Freshford  
Bath 5 miles, Bristol 17 miles, M41 18 1/2 miles,  
London 110 miles (distances approximate).

A much acclaimed and highly individualistic conversion of a Listed 19th Century brewery into over 4,500 sq.ft. of residential accommodation centred on a 70' long living room set in the centre of a Conservation Village.

Adjoining single bedroom cottage and a Georgian house providing in total about 3,000 sq.ft. of attractive and interesting space suitable for a wide range of domestic, business and recreational uses.

Small garden. Garage. Parking.

Joint Agents:  
King Smege & Co., Bath (0225) 319300  
CLUTTONS, BATH OFFICE (0225) 469511 and  
LONDON OFFICE: 071-628 1010



**NORTH YORKSHIRE**  
NEAR YORK  
York 5 miles, Lough 17 miles, A18 8 miles,  
Harrogate 20 miles.

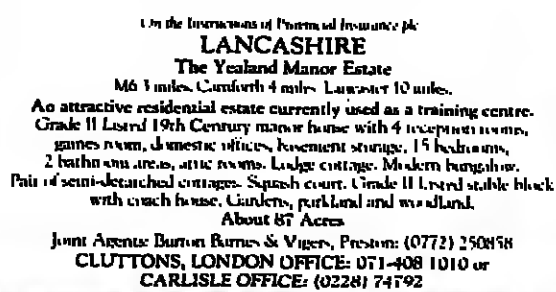
An imposing Grade II Listed country house built at the turn of the 19th Century with superb views over the Vale of York.

Large reception hall, dining room, morning room, library, billiard room, kitchen and utility, 15 m. wide bedroom, suite of p.c.s., six en-suite bedrooms, staff flat, formal lounge and outbuildings. Parkland and woodland. Grade 2 arable land. Presently managed as a prestigious country house. Suitable for a variety of residential, commercial, leisure or recreational uses.

97 Acres.

For sale as a whole or in parts.

Joint Agents:  
Pannett, York 01904 114602/3  
CLUTTONS, HARROGATE OFFICE: (0423) 523423

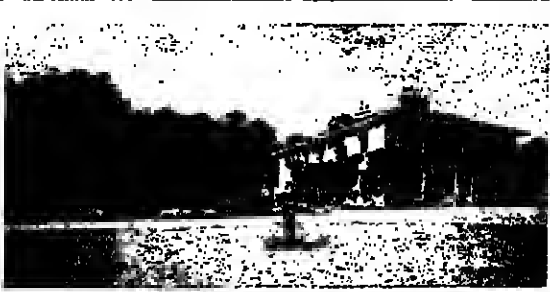


**LANCASHIRE**  
The Yealand Manor Estate  
M6 1 mile, Lanchester 4 miles, Lancaster 10 miles.

An attractive residential estate currently used as a training centre. Grade II Listed 19th Century manor house with 4 reception rooms, games room, domestic offices, basement storage, 15 bedrooms, 2 bathrooms, attic rooms. Lodge cottage. Modern bungalow. Pair of semi-detached cottages. Spanish court. Grade II Listed stable block with coach house, laundry, parkland and woodland.

About 87 Acres.

Joint Agents: Burton Barnes & Vigers, Preston: (0772) 250858  
CLUTTONS, LONDON OFFICE: 071-628 1010 or  
CARLISLE OFFICE: (0228) 74792



**OXFORDSHIRE**  
Burford 4 miles, Oxford 22 miles  
WELL PRESENTED PERIOD  
COUNTRY HOUSE  
OVERLOOKING ITS OWN  
GROUNDS IN A SMALL  
COTSWOLD VILLAGE.

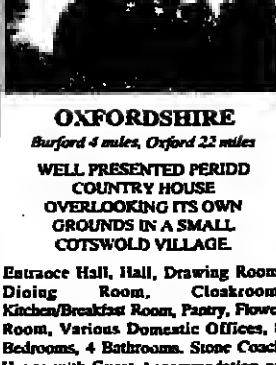
Entrance Hall, Hall, Drawing Room, Dining Room, Kitchen, Breakfast Room, Pasty, Flower Room, Various Domestic Offices, 8 Bedrooms, 4 Bathrooms. Stone Coach House with Guest Accommodation on first floor. Stabling and garaging on Ground Floor.

Hard Tennis Court, Kitchen Garden. Gardens and Grounds of 3.4 Acres.

Offers around £650,000 Freehold

66 High Street, Burford, Oxfordshire  
OX18 4QF. Telephone: (0993) 822066

Mallams



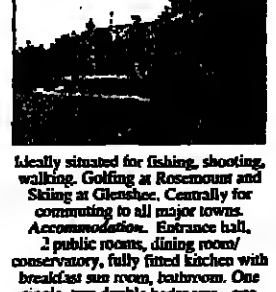
**BLAIRGOWRIE - SCOTLAND**  
CRAIGHALL SAWMILL COTTAGE  
A TRADITIONAL STONE BUILT  
COUNTRY HOUSE.

Ideally situated for fishing, shooting, walking, golfing at Rosneath and Stirling at Glenelg. Centrally for commuting to all major towns.

Accommodation: Entrance hall, 2 public rooms, dining room/conservatory, fully fitted kitchen with breakfast nook, bathroom. One single, two double bedrooms - one with en suite. Beautiful landscaped garden with trout pond.

Viewing highly recommended.

Warner & Co.  
22 St Patrick Square, EDINBURGH  
031 662 4747

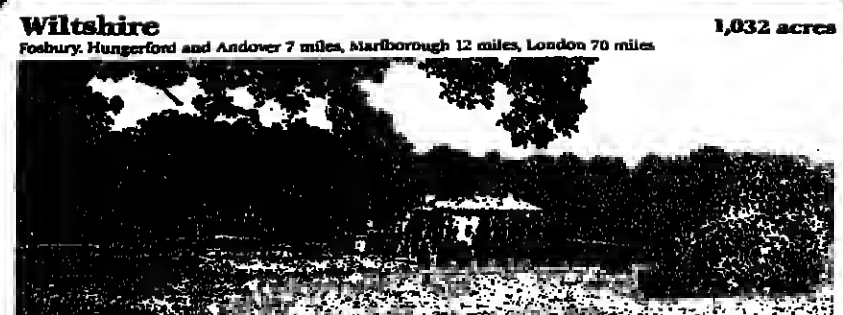


**OXON/WARKS BORDERS**  
17th C. Stone house of character, 5 beds, 4 recep. 2 baths, 1 acre garden plus 3 acre paddock, outbuildings, easy access M40, edge of village.

£325,000.

Tel: 0295 770237 Fax: (0295) 770762

Humberts



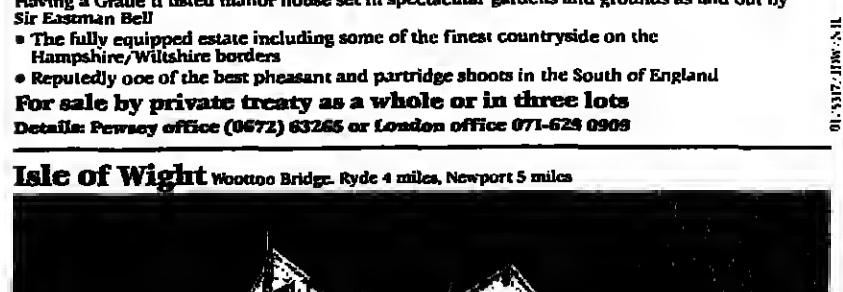
**Wiltshire**  
Fosbury, Hungerford and Andover 7 miles, Marlborough 12 miles, London 70 miles  
1,032 acres

A classic English estate in an exceptional location  
Having a Grade II listed manor house set in spectacular gardens and grounds as laid out by Sir Eassman Bell

- The fully equipped estate including some of the finest countryside on the Hampshire/Wiltshire borders
- Reputedly one of the best pheasant and partridge shoots in the South of England

For sale by private treaty as a whole or in three lots

Details: Farnley office (0672) 63265 or London office 071-628 0909



**Ile of Wight Wootton Bridge** Ryde 4 miles, Newport 5 miles

An immaculate waterside property in a spectacular position on Wootton Creek looking out to the Solent

The fully modernised and refurbished former boat house having 2 reception rooms, a principal bedroom suite and 6 further suites, kitchen, cloakroom and a balcony deck overlooking the Creek

- Boat store, workshop, gardens and grounds together with an abutting mooring, slipway and pontoon
- Presently in residential use but with planning consent for conference centre, extension, and use as a sailing centre. Potential for marine development

For sale by private treaty

Details: Christopher Scott (0983) 724777 or Humberts London office 071-628 0909

LONDON OFFICE - 071-628 0909

Jackson-Stops & Staff



**Cumbria, near Carlisle**  
An architecturally and historically important country house Listed Grade II\*, dating from the 15th century and remodelled in the 18th and 19th centuries, standing in mature parkland.

Great Hall, library, drawing room, music room, dining room, ante-room, 8 principal bedrooms and 5 bathrooms, nursery suite, 3 staff flats, estate office. 2 cottages and extensive outbuildings. In all about 32 acres.

Apply: London office, 22 Hans Place, London SW1X 0EP  
Telephone: 071-589 4536, Facsimile: 071-416 0591.



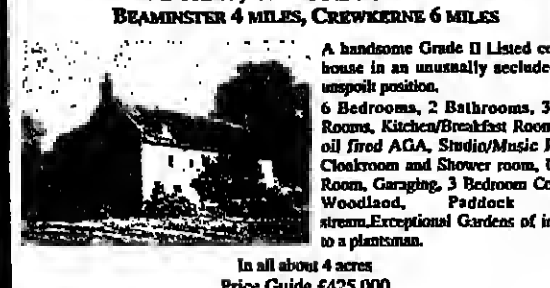
**Dorset, near Milton Abbas.**  
Blandford Forum 7 miles, Dorchester 12 miles.

A spectacular building plot in a glorious woodland setting with approximately 20 acres for sale by auction.

An additional 220 acres of adjoining woodland with shooting rights for sale by separate negotiation.

Joint Auctioneers:  
Jackson-Stops & Staff, Yeovil. Tel: (0935) 740666 or  
Jackson-Stops & Staff, Dorchester. Tel: (0905) 262123.  
Forestry Investment Management. Tel: (0451) 844655.

Kennedy



**WEST DORSET, IN THE MARSHWOOD VALE**  
Bramminster 4 miles, Crewkerne 6 miles

A handsome Grade II Listed country house in an unusually secluded and unspoilt position.

6 Bedrooms, 2 Bathrooms, 3 Rec. Rooms, Kitchen/Breakfast Room with oil fired AGA, Studio/Music Room, Cloakroom and Shower room, Utility Room, Garaging, 3 Bedroom Cottage, Woodland, Paddock with stream. Exceptional Gardens of interest to a pheasant.

In all about 4 acres

Price Guide £425,000  
(0308) 27329



**ENJOY THAT MEDITERRANEAN FEELING**

WIN A CASE OF FINE WINE!

Present a copy of this advertisement when you visit us at the Sales Office for the first time and your name will go into a prize draw for a case of fine wine.

Offer closes 3/10/93

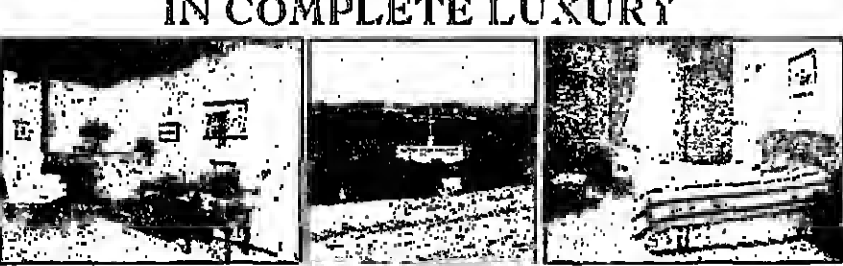
AT OYSTER QUAY, PORT SOLENT, PORTSMOUTH

- Luxury apartments • Large marina balconies • Leisure centre and pool •
- 900 berth marina • Restaurants and wine bars • 6 Screen cinema •
- 2 BED 2 BATH APARTMENTS FROM JUST £99,000

REGALIAN Quality in a word

SHOW FLATS OPEN 11.00AM - 6.00PM DAILY (0703) 219109

COUNTRY LIVING IN COMPLETE LUXURY



The sheer luxury of the apartments and cottages at Bliss Mill is matched only by the extraordinary beauty of this Victorian landmark building.

Positioned on the edge of the Cotswolds, Bliss Mill is unique in offering all the security of an apartment, with the convenience of its own leisure centre and landscaped grounds.

BLISS MILL  
Oxfordshire 0608 645001

0295 263535 PRICES FROM £95,000

WHY TREAT YOUR GOLF CLUB LIKE A SECOND HOME WHEN YOU CAN BUY A SECOND HOME THAT'S A GOLF CLUB?

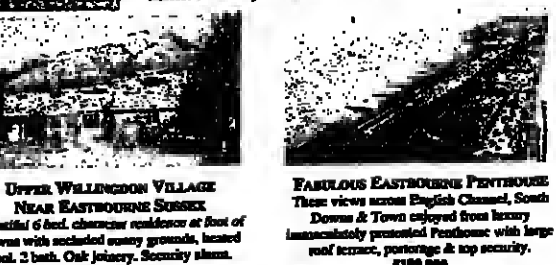


**Welcome to The Watermark Club.**

- A 3 bedroom, 2 bathroom lodge on its own private 18-hole course.
- Mature par 72, 6,602 yd course designed by top golf architect, Donald Steed.
- Free golf right outside your door.
- Set in 800 acres of walled parkland.
- Limited membership ensures uncrowded golf.
- Complimentary membership to the Clubhouse and Health Club.
- Indoor swimming pool, gymnasium, sauna and jacuzzi.
- All weather tennis courts, squash and horse-riding.
- Private lake with trout fishing.
- Bar and Brasserie.
- Round-the-clock security, 999-yr lease.
- Full time gardener.

**Price £79,000. Tel: 0604 671471.**  
80% Mortgages available, subject to status

TAYLOR ENGLY



**UPPER WILKINGDON VILLAGE**  
NEAR EASTBOURNE SUSSEX  
Beautiful 6 bed, detached residence at foot of Downs with enclosed sunny grounds, heated pool, 2 bath, Oak joinery, Security alarm.  
£289,000

**FABULOUS EASTBOURNE PENTHOUSE**  
These views across English Channel, South Downs & Town enjoyed from luxury immaculately presented Penthouse with large roof terrace, parking & top security.  
£299,000

**BEACON VILLAGE, EASTBOURNE**  
One of Beacons' finest houses looking onto South Downs. Beautiful polished interior. Smallish kitchen, 5 bed, 2 bath + SEPARATE COTTAGE.  
£259,000

MAGNIFICENT MODERN COUNTRY HOUSE, SITUATED BETWEEN STAMFORD AND GRANTHAM, OFFERING NEARLY 7000 SQ FT OF LIVING ACCOMMODATION



5 Reception Rooms, full size snooker/games room, 6 bedrooms, 4 with ensuite facilities. Further family bathroom. Indoor leisure complex with swimming pool. Shower/changing room, steam room and jacuzzi. 3 acres of gardens with summerhouse and 2 tennis courts (1 floodlit)

Offers in the region of £425,000

Tel Daytime (0733) 576195, evenings and weekends (0733) 576849 Fax (0733) 576115

LUXURY HOME ON HILL IN CORNWALL



Superb sea/coastal views. 17 acres 425 beds, 9 room, study, Utility, cloaks, fitted kitchen, bath/shower rooms. Separate full sized moorland/estate house, room with shower/en. £300,000. O.N.O.

Tel: 0288 352850

**MID-DEVON**  
Historic secure self-contained WING OF COUNTRY MANOR IN BEAUTIFUL PARKLAND.  
4 Bedrooms, spacious living, easy reach Exeter, Moors & all facilities.

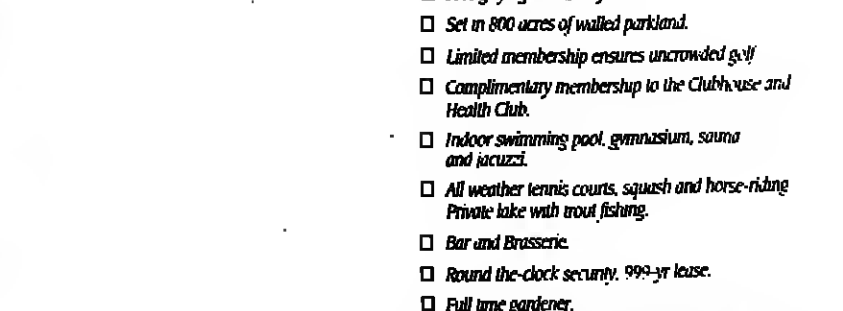
Tel: Owner 0363 774682

**SUFFOLK, nr Framlingham**  
Listed period farmhouse, 6 beds, 3 baths, 3 large reception rooms, study, kitchen/breakfast & utility rooms, cloakroom, games room. Garden, paddocks, pond, 17c barn, further farm with p.p. & plans for 2nd college, garaging & useful sheds comprising 4 acres.

Offers around £275,000.

Tel: 0128 685300 Fax 0128 685325

THE OLD RECTORY, SWERFORD



Chipping Norton 6 miles, Oxford 21 miles

THE OLD RECTORY, SWERFORD

Listed Grade II\*, quietly situated in a south facing position and now requiring further improvement.

Hall, 3 Reception Rooms, Kitchen/Breakfast Room, adaptable 1st and 2nd floors at present offering 3 main Bedrooms and 2 Bathrooms.

a self-contained 2 Bedroom Flat and 4 Attic Rooms.

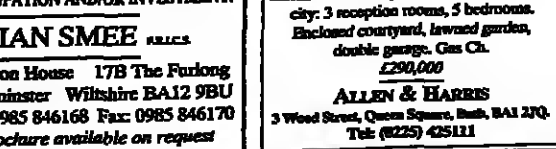
Garage, Outbuildings and Cottage (Lst). Beautiful Garden.

ABOUT 1 1/4 ACRES Option to Purchase 15 Acres (Lst)

FOR SALE BY AUCTION ON 27th OCTOBER 1993

20 Horse Fair, Banbury, Oxon Tel: 0293 273592

AVON, BATH



Sign for Station 2 miles, M4 11 1/2 miles, A Bath more Grade II listed five story Georgian town house with extensive southern views over this historic city. 3 reception rooms, 5 bedrooms. Beautiful courtyard, landscaped garden, double garage, Gas Cn.

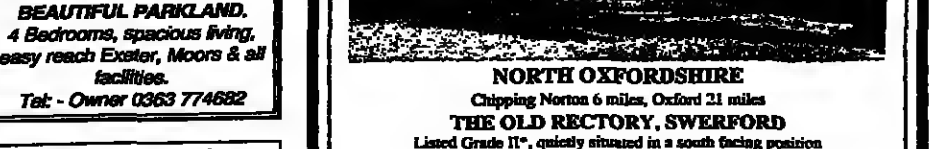
£290,000

ALLEN & HARRIS  
3 Wood Street, Queen Square, Bath, BA1 2PL  
Tel: (0225) 425111

**STRUTT & PARKER**  
**SUFFOLK - EYE**  
Georgian town house with private walled garden. 3 beds, 2 recep. Ideal retirement home.

Ipewich Office  
Tel: (0473) 214841

AN INDEPENDENT PROFESSIONAL SERVICE FOR PURCHASERS OF COUNTRY HOUSES, FARMS AND AGRICULTURAL ESTATES FOR OCCUPATION AND/OR INVESTMENT.



**IAN SMEE** SELLER  
Preston House 178 The Furlong  
Wimborne Wiltshire BA12 9BU  
Tel: 0985 846168 Fax: 0985 846170  
Brochure available on request

**DORSET/WILTSHIRE BORDER**  
**ZEALS**  
Unique stone built rural property in extensive grounds. 4 beds, 2 baths, 3 recep, chic living garage/workshop. Easy communications to London & West Country. Private Sale.

Outside Price £230,000  
Details Available (0747) 847658

Send to: The Watermark Club, Overstone Park, Billing Lane, Northampton NN6 6AP Fax: 0604 671109

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_ Tel: \_\_\_\_\_

The Watermark Club  
A MEMBER OF THE WATERMARK GROUP





- LANDSCAPED GARDENS • PRIVATE PARKING • 24 HOUR SECURITY
- APARTMENTS ON LEASES FOR A TERM OF 999 YEARS
- 1 BEDROOM APARTMENTS FROM £210,000
- 2 BEDROOM APARTMENTS FROM £345,000
- 3 BEDROOM APARTMENTS FROM £415,000
- 4-6 BEDROOM FREEHOLD HOUSES FROM £675,000-£1,600,000

CALL THE SALES OFFICE AT MARLOES ROAD TODAY ON

**071 938 3350**



**SAVILLS**

**KENSINGTON GREEN W8**

## ST GEORGE. WE BUILD HIGHLY DESIRABLE RESIDENCES AND HIGH-PERFORMANCE PORTFOLIOS.

If you're looking to invest in London residential property, we have the portfolio for you.

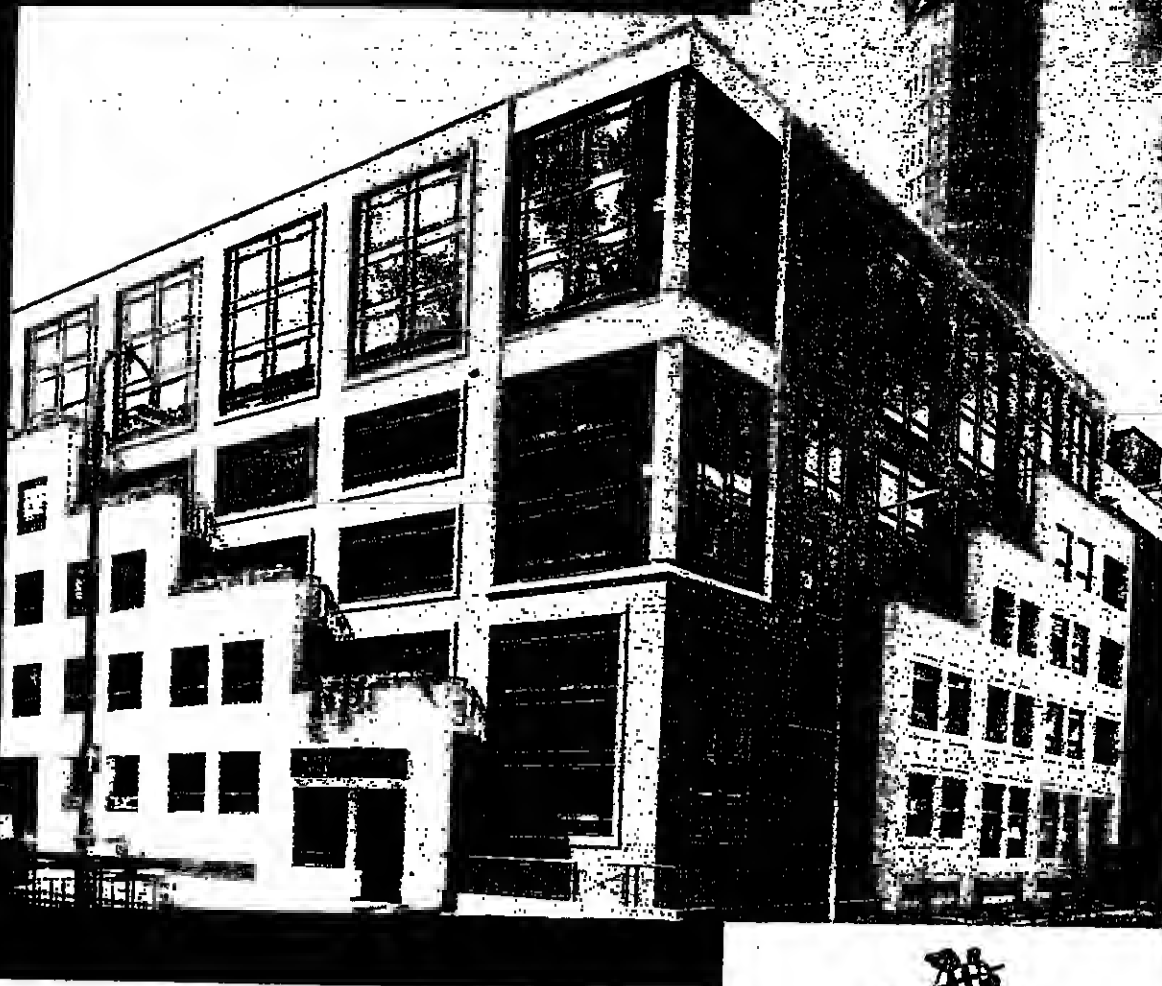
We concentrate exclusively on prime locations - in Central London, Westminster, Hampstead, Highgate, Richmond and out into the Home Counties.

We build a range of apartments and houses from £700,000-£750,000 - each one distinguished by outstanding design and meticulous

attention to detail. And we have won more awards than any other developer in the profession. Including National Awards.

We also have a number of options for investors, like our share and leaseback scheme for share houses and apartments.

Contact St George today for details of our current and forthcoming developments.



St George PLC, St George House, The Green, Twickenham, Middlesex TW2 5AG. Telephone 081 893 3030

**ST GEORGE PLC**

# HAMPTONS



**EAST SUSSEX - HOVE**  
Slightly over 11 miles (Canwick 27 min. L. Jett 32 min.)  
A renovated Grade 1 Regency town house overlooking gardens and the sea.  
3/4 reception rooms (including top-floor studio), 4 bedrooms, 3 bathrooms (1 en-suite). Self-contained basement flat.  
Head Office. Tel: 071-493 8222



**WEST SUFFOLK - WICKHAMPOOR**  
Bury St. Edmunds and newmarket 9 miles.  
A Grade II\* Listed Elizabethan moated manor house.  
5 reception rooms, conservatory, kitchen/family room, sauna complex, 7 principal bedrooms, 3 secondary bedrooms, 3 bathrooms. Cottage (for improvement). Caraging. Barn. Summerhouse. Woodland and meadows. Over 50 acres.  
Bury St. Edmunds Office. Tel: (0284) 767338



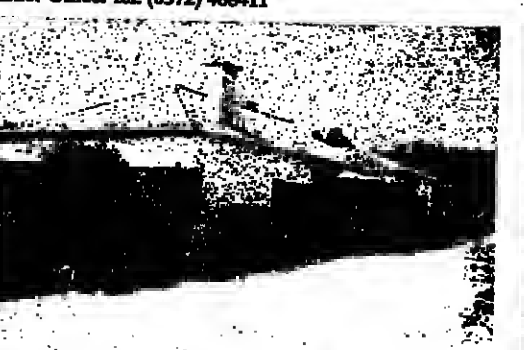
**TEMPLEWOOD AVENUE - NW3**  
A selection of contemporary apartments, duplexes and penthouses opposite Hampstead Heath.  
4/5 bedrooms, private terraces, communal swimming pool complex, parking, 24 hour security.  
ONLY 3 REMAINING.  
Sole Agents  
Hampstead Office. Tel: 071-794 8222



**BERKSHIRE - HARE HATCH**  
Maidenhead 6 miles. M4 (8/9) 6 miles.  
A Grade II Listed Georgian house.  
Hall, 4 reception rooms, 7 bedrooms, 4 bathrooms (3 en-suite), 2 cottages. Caraging. Formal garden. Paddocks and woodland. About 30 acres.  
Maidenhead Office. Tel: (0628) 74433  
Head Office. Tel: 041-493 8222



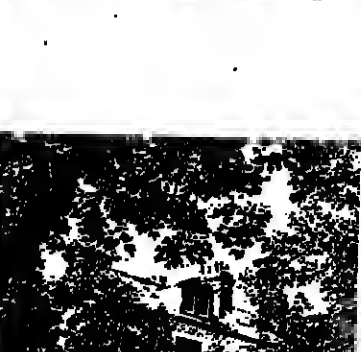
**ESSEX - NEAR WATTON-ON-THAMES**  
Watton 26 miles. Heathrow airport 17 miles.  
A house fitted to the highest expectations, protected by its 5 acres of grounds and open countryside.  
Galleried reception hall, 3 reception rooms, conservatory, 5 bedrooms, 4 bathrooms (3 en-suite). Leisure complex. Recording studio. Detached cottage.  
Essex Office. Tel: (0372) 468411



**PORTUGAL - SINTRA**  
A fully modernised property on a cliff top location with views over the Atlantic Ocean.  
Hall, double reception room, study, 3/4 bedrooms, 2 bathrooms. Gymnasium. Heated swimming pool. Caraging. Lake. Gardens and grounds.  
About 3 acres.  
Hamptons International. Tel: 071-493 8222



**ELDON ROAD - W8**  
A stucco fronted house on the south side of this tree-lined street close to the facilities of High Street Kensington and Kensington Gardens.  
3 reception rooms, kitchen/breakfast room, 5 bedrooms, 3 bathrooms (4 en-suite). Laundry room. Staff flat.  
Freehold £895,000.  
Kensington Office. Tel: 071-937 9371



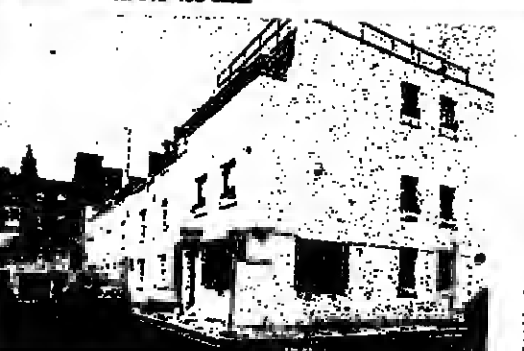
**BROOK GREEN - W6**  
A well presented family house overlooking Brook Green.  
Hall, 2 reception rooms, study, 5 bedrooms, 2 bathrooms (1 en-suite), dressing room. Garden.  
Freehold £665,000  
Kensington Office. Tel: 071-937 9371



**OXFORDSHIRE/BUCKINGHAMSHIRE BORDER**  
Henley-on-Thames 6 miles. M40 (J5) 4 miles.  
A beautiful brick and flint farmhouse in the Hambleden Valley.  
4 reception rooms, kitchen/breakfast room, 5 bedrooms (en-suite) bathroom & shower room. Swimming pool. Caraging. Barn/stable. X of an acre. Guide £525,000.  
Henley Office. Tel: (0491) 572215.  
Head Office. Tel: 071-493 8222



**HAMPSTEAD - NW3**  
A double fronted detached house set back from the road behind a carriage driveway.  
Hall, 4 reception rooms, kitchen/breakfast room, 4 bedrooms, dressing room, 3 bathrooms (1 en-suite), library/bedroom 5. Studio/games room. Lift. Caraging. Garden (about 140).  
Hampstead Office. Tel: 071-794 8222  
Head Office. Tel: 041-493 8222



**KNIGHTSBRIDGE - SW1**  
The Old Bakery, a spacious period corner house a short walk from Harrods and Knightsbridge.  
Reception room, fitted kitchen, dining area, 3 bedrooms, 3 bathrooms (en-suite). Terrace.  
Freehold £455,000  
Head Office. Tel: 041-493 8222



**KINGSTON UPON THAMES - COOMBE HILL**  
Three detached houses under construction by Octagon in exclusive private roads within the Coombe Hill Estate.  
3 reception rooms, kitchen/breakfast room, 5 bedrooms, 3 bathrooms. Caraging. Landscaped gardens.  
£760,000 - £775,000 Freehold  
Kingston Hill Office. Tel: 081-541 1626  
Show house. Tel: 081-541 6210 Sat/Sun 10am-5pm.



**SCOTLAND - MIDLOTHIAN**  
A period country house with easy access to Edinburgh City Centre (approx 11 miles) and Edinburgh airport (approx 18 miles).  
3 reception rooms, 6 bedrooms (5 en-suite). Staff flat. Outbuildings. Stables. Caraging. Paddocks. Garden and woodland. About 7 acres.  
Edinburgh Office. Tel: 031-220 6665



**The Hamptons Property Selection**  
For your free forty eight page brochure please call 071-493 8222

Head Office: 6 Arlington Street, St. James's, London SW1A 1RB. Tel: 071-493 8222. Fax: 071-491 3541.

HAMPTONS RESIDENTIAL: OFFICES IN ENGLAND, SCOTLAND, THE CHANNEL ISLANDS AND HONG KONG, WITH ASSOCIATES IN EUROPE AND THE USA.







## MARKETS

## London

## A trolley-full of worries for supermarkets

By Peter Martin, financial editor

**W**E MAY soon learn the answer to one of the stock market's most intriguing questions: was the 1990s success of the three big UK supermarket chains the result of outstanding management or dumb luck?

Success there certainly was: the collective market capitalisation of Sainsbury, Tesco and Asda rose from around £2bn in 1983 to over £17bn earlier this year. There was good management, too: the three chains are now leaders in developing own-brand goods, they enjoy margins that are the envy of overseas rivals, and they have transformed UK shopping. But are those margins, and that leap in market capitalisation, due solely to management skill, or did luck and British planning restrictions play a decisive role?

The question was given fresh pertinence this week by the 5 per cent drop in the shares of Tesco, the industry's number two. On Tuesday, the company announced disappointing

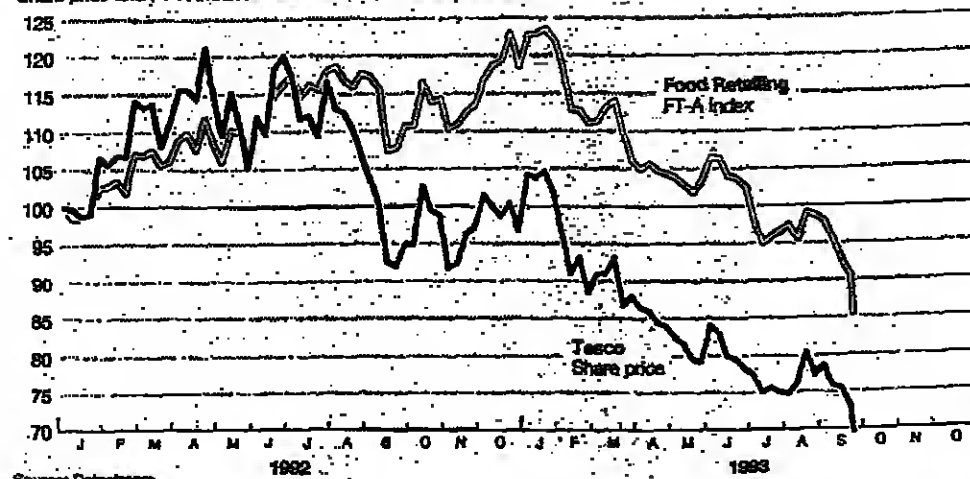
interim profits, a rise of only 3.4 per cent though turnover rose 9.5 per cent. More important, it finally admitted that the new wave of discount stores were enough of a threat to warrant a fierce competitive response.

As the chart shows, the glamour of the supermarkets has been fading for much of the year; for Tesco it became tarnished more than 12 months ago. The scale of the market's worries can best be judged, however, by looking at Sainsbury, by any reckoning one of the great British growth companies of recent decades.

This year, Sainsbury shares have been selling at a sustained discount to the market as a whole for the first time in recent memory. Throughout the last two decades, Sainsbury has almost always sold at a price/earnings ratio well above the market average, often double it. You can now buy Sainsbury shares for 14 times current earnings, when the figure for the market as a whole is 19%. (Tesco's p/e ratio is 9, less

The perils of piling 'em high and selling 'em dear

Share price and FT-A All-Share Index



Source: Datastream

than half that of the market.) The yield figures tell a similar story. At the turn of the year, Sainsbury was selling at a yield of less than half the market average. Now, it is yielding 3.0 per cent, at a time when the market yield is 3.8 per cent, a difference of only a quarter. The gap has been closing inexorably. For Tesco, it has closed already. Its shares are yielding 4.6 per cent, a fifth higher than the market as a whole.

One way of looking at the change in sentiment is to examine the real cause of the chains' remarkable profitability in the 1980s. Part of it, no doubt, was due to innovation and good logistics management. But part of it was due to the nature of the British food retailing market: a semi-cartel enforced by the planning authorities. Planning regulations made

suitable sites for huge modern supermarkets very hard to come by. Only the big groups had the expertise in coping with the regulations and – more important – the deep pockets necessary to pay the high prices that tight planning restrictions ensured for the few available sites.

The big chains raised ever larger lumps of capital to buy their way to an ever larger market share. Some of their managers, at least, put pressure on suppliers to restrict shipments to rivals who wished to compete on price. Instead, the big three chose to compete on innovation, location and ambience, a recipe for a stable and profitable industry. The two next-biggest chains, Asda and Gateway, were slipping behind in the capital spending race, so the big three could continue to achieve steady growth, even though total food sales were essentially static.

In the last few years, almost all those trends have started to move into reverse. The arrival of European discounters like Netto and Aldi raises the spectre of sustained competition on price from companies that are not likely to be intimidated by suppliers' pressure. US "warehouse clubs" such as Costco threaten to make the supermarket chains' mastery of the site acquisition irrelevant, since if classified as wholesalers rather than retailers they are not subject to such tight planning restrictions. Asda and Gateway, back from the dead, are no longer easy targets. Customers' value perceptions have been changed by the recession. And the property slump has put a question mark over the price at which supermarket

sites are carried in the chains' books. In short, once an industry's luck turns, even the best-managed companies suffer the consequences.

The market as a whole managed, however, to shrug off worries about food retailing with as much aplomb as it ignored the excitement in Moscow. The FTSE 100 index stayed healthily above 3,000, with traders taking comfort from revised economic figures that showed much stronger growth in GDP and corporate profits in the first half of the year than earlier estimates had suggested. Another statistical source of cheerfulness was the revelation, from the figures on institutional liquidity, of just how much money UK fund managers had been pumping into domestic equities and gilts. In the first half of the year, UK institutions made £24bn in net new investment, almost half as much again as in the same period in 1992.

The consensus still seemed to be that the tone of companies' comments during the interim results season had been disappointing. The steady flow of medium-sized rights issues has continued – on Tuesday, for instance, Tarmac asked its shareholders for £215m. But for at least one big broker, James Capel, the results have been coming in slightly ahead of expectations, the first time that has happened since the recession began. And one top investment manager complained this week that the results season had been disappointing largely because it had not produced the drop in share prices that would have provided him with an opportunity for bargain-hunting.

## Serious Money

## An offshore fund without charges

By Philip Coggan, personal finance editor

**R**EGULAR Weekend FT readers will know how much we welcome any efforts to bring down the cost of financial services products for investors. So it is good to see Charles Schwab, the US discount broker, launching a service for investors in offshore funds.

The International Fund-Source service is modelled on the Mutual Fund OneSource sold by Schwab in the US. The idea is that funds are sold without any initial charge, or "front end load" as it is known in the US. Since that initial charge is often around 5-6 per cent, that can represent substantial savings.

Of course, over the long run, a good investment manager can easily overcome the effect of an initial charge. The problem is that the investor does not know in advance who the good fund managers of the next few years will be; you do know what the charges are. Investing in a no-load fund, as they are called, gives you a 5-6 per cent head start.

At the moment, however, the Schwab deal is rather restricted. For a start, some of the funds on offer – the currency funds from Guinness Flight and Rothschild Asset Management – already have no initial charge. Furthermore, there is only a restricted choice of fund managers: Guinness Flight for bonds, equities and currencies; Wright Investor Services for equities; and Rothschild for currencies.

Furthermore, all the funds on offer are offshore; the British investor will be unable to buy, say, M&G Dividend via the no-load route. Since Schwab is promoting the service across Europe, using offshore funds avoids regulatory problems.

Still, everyone has to start somewhere. In the US, the same service offers 200 no-load funds from 25 fund management groups. And the Euro-

pean service does at least offer a wide range of funds, from Australasian equities to yen bonds. All the funds are recognised by the Securities and Investments Board, the UK's chief regulator.

Schwab will also send investors summarised statements of their portfolios and orders can be made through a 24 hour telephone service.

Are there any catches? Schwab makes its money by taking a fee from the fund manager, which it says is around 0.3 per cent. It adds that the manager pays the fee out of its own annual management charge, so there is no additional cost to the investor. The manager benefits because of the extra volumes of funds under management which Schwab will generate.

The service is dollar-denominated, so sterling-based investors will have a currency risk, and a conversion cost, which Schwab says will be around 0.2 to 0.3 per cent.

To benefit from the service, investors must open a Schwab dollar account and the minimum investment into any of the funds is \$2,000. (Some of the funds on offer normally have much higher minimums.) There are toll-free numbers for anyone interested in details – 0800-526027 in the UK, 0130-817465 for Germany and 0590-8103 for France. US residents cannot use the service.

Schwab is not a well known name in Europe and it is hard to see this service revolutionising the market. Still, it is good to see further competition in the field and someone who was already considering investment in, say, a Guinness Flight bond fund, might find the Schwab approach worthwhile.

Those who follow our weekly table of directors' dealing in their companies' shares, might be intrigued by the new Poin-ton BRI Directors Dealings

Unit Trust. The trust will be the pattern of transactions to directors to determine its investments.

The obvious rationale for allowing directors' dealing is that they must know something about the rest of us do not. This is a fine line. They are supposed to be insider dealing, buying shares in advance of a takeover approach. There is a "close" period before the publication of results, during which directors cannot deal.

So it is more of a question of directors acting on a gut feeling, based on their general knowledge of the company, than on specific information. Nor is it wise to assume that directors' instincts are infallible.

Back in 1991, after one year of publishing the directors' dealing table, I conducted an exercise to see how investors would have done if they had acted on the basis of that first table. The results were not encouraging. Investors would have done better to buy shares in companies where directors had sold holdings, than to buy where they had made purchases.

Nevertheless, there have been obvious cases where a pattern of directors' sales have been followed by a share price slump and similarly, if directors are consistently buying shares, that ought to give investors some confidence.

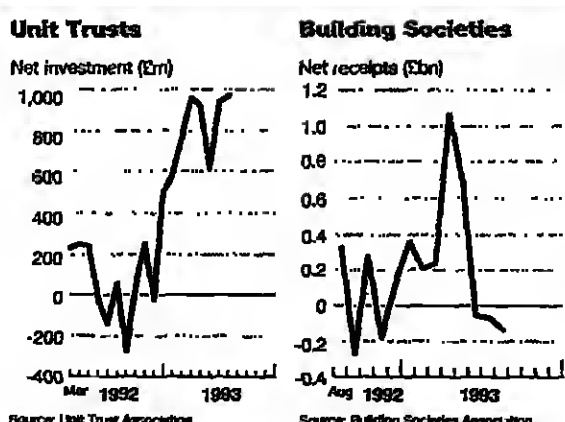
The new trust will be managed by BRI, a rival service to Directors, which produces our table. It says there will be no "blind following of directors' transactions". It will assess the financial and marketing strengths of companies and look at details, such as whether more than one director has been dealing, the track record of the purchaser and the scale of the deals in relation to existing holdings.

The initial charge will be 5.5 per cent and the annual charge 1.5 per cent. The minimum investment is £1,000.

## HIGHLIGHTS OF THE WEEK

	Price y/day	Change on week	1993 High	1993 Low	
FT-SE 100 Index	3005.2	-0.3	3100.6	2737.6	Political uncertainty in Russia
FT-SE Mid 250 Index	3431.9	+6.2	3513.3	2879.3	Bargain hunting
Ashley (Laura)	87	-22	116	69	Profits warning
British Steel	119%	+8%	120%	54	B2W upgrade
Cable & Wireless	862	+29	875	669	Strong Hong Kong stock market
Guinness	422	-43	521	422	9% decline in profits
Morgan Crucible	322	+21	345	262	Figures ahead of forecasts
Morrisons (Wm.)	104%	-24%	174	104	Figures below expectations
Northern Foods	250	-13	291	242	Negative analysts visit
Schroders	1270	-59	1335	467%	Analysts say shares overvalued
SmithKline Beecham A	421	+15	513	369	Herpes treatment expectation
Spring Ram	69	+7	145	44	Boardroom changes
Tesco	202	-11	273	195	Disappointing figures
Thorn EMI	921	-49	1017	809	US subsidiary worries
Travis Perkins	274	+38	277	168	Boost from figures

## AT A GLANCE



## Unit Trust sales enjoy bumper month

UNIT trust sales had another bumper month in August – the £361m of net sales making it the third best month on record. Helped by buoyant world stock markets, funds under management reached a new high of £340bn. Private investors bought a net £255m of funds, up 22 per cent on the previous month. Ironically in August 1992, which in retrospect was an ideal time to buy unit trusts, net sales to private investors were just £14.6m.

## Building society outflow worsens

BUILDING societies suffered their worst outflow of funds this year, when £132m was withdrawn in August following smaller net outflows in the previous two months. There was a £61m outflow in July and a £56m outflow in June. Adrian Coles, director-general of the Building Societies Association, said the recent outflow of £246m needed to be balanced against a £2.5bn inflow in the first half. He said that people were withdrawing money to invest in equities, buy cars and fund the BT3 share offer.

On the mortgage side, net new commitments of £2.43bn were the lowest since January. Coles said: "There are growing signs that house prices have stabilised. This should help to underpin a recovery in activity over the coming months, albeit from low levels."

## Fund payouts slip

INCOME Fund Analysis, which monitors the payouts of income unit trusts, has found that more than half of the funds covered paid lower distributions in the third quarter. Out of the 65 fund analysed, 34 made cuts, 10 kept payouts unchanged and 18 increased distributions (the remaining three switched to quarterly payments). Barclays Unicorn Income has managed to maintain its record of increasing its payout every year since 1981.

## Abbey's new fixed mortgages

Abbey National is launching a new range of fixed rate mortgages from Monday. Existing homeowners can choose from 7.4 per cent (APR 7.8 per cent) until November 30, 1996, 7.95 per cent (APR 8.4 per cent) until November 30, 1998 or 8.99 per cent (APR 9.5 per cent) until November 28, 2003. Booking fees vary between £250 and £300 and redemption penalties vary between 90 and 300 days' interest, depending on term.

## Fidelity adds seven currencies

FIDELITY has added seven currencies to its Bermuda-based range of currency funds. Now available are: Belgian francs, Danish kroner, Finnish marks, Norwegian kroner, Portuguese escudos, Singapore dollars and Swedish kroner. The funds have no initial charge and no minimum investment; the annual charge is 1 per cent.

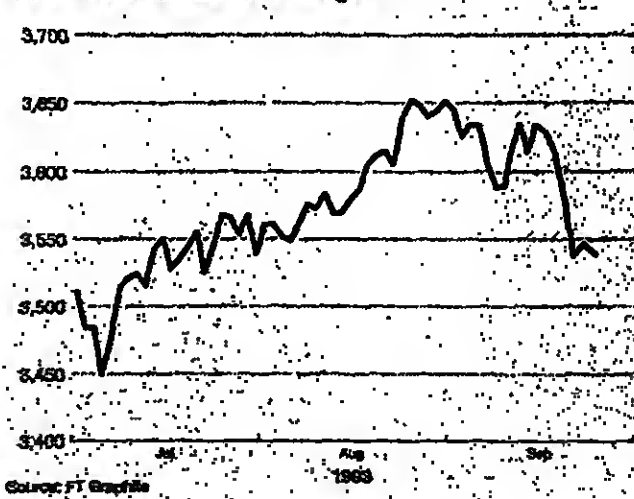
## Small company shares drop

SMALL company shares dropped slightly over the week with the Hoare Govett Index (capital gains version) falling 0.3 per cent from 1578.89 to 1573.55 over the seven days to August 23.

## Wall Street

## Traders enjoy a storm in a tea cup

## Dow Jones Industrial Average



Source: FT Datastream

1991. Yet, explaining why investors rush for the exits at the first word of turmoil overseas is not always easy. The Saudi oil embargo and the Kuwait invasion shocked the markets for a good reason – they feared (as it turned out, correctly in 1973) that the events would trigger a sharp rise in oil prices and a worldwide economic recession.

This week's reaction from Wall Street, however, is harder to fathom. It is not as if the events in Russia on Tuesday plunged the country

from order into chaos. Russian political life has been pretty chaotic for some time, and it could be argued that Yeltsin's bold move in calling for elections to a new assembly will, if it works (a big if), help restore order in Russia.

Anyone selling stocks on Tuesday, however, obviously felt that Yeltsin's gamble was not going to pay off. Yet even if Yeltsin was ousted, it is not likely that the events that followed have had much of an impact outside of Russia.

The UK broking house James Capel probably got it right this week when it rushed out a quick analysis of the crisis entitled: "The Russian Situation – A Storm in a Tea Cup".

Capel argued that the problems in Russia were internal to that country, and that the fallout for the rest of the world would probably be limited. Assuming civil war was not going to break out as a result of Yeltsin's actions, even the bleakest scenario – the old communists take control of government via parliament and slow future economic and political reforms – should not have unduly

worried US investors, said Capel. The pace and extent of Russian political and economic reform for years has been patchy at best, and markets have long since discounted this fact.

So why did the markets panic on Tuesday afternoon? The answer is quite simple. The turmoil in Russia was an excuse, not a reason, for traders and investors to sell stocks. Under cover of a "grave" world crisis, they were able to take a few of the profits they earned during this summer's strong rally.

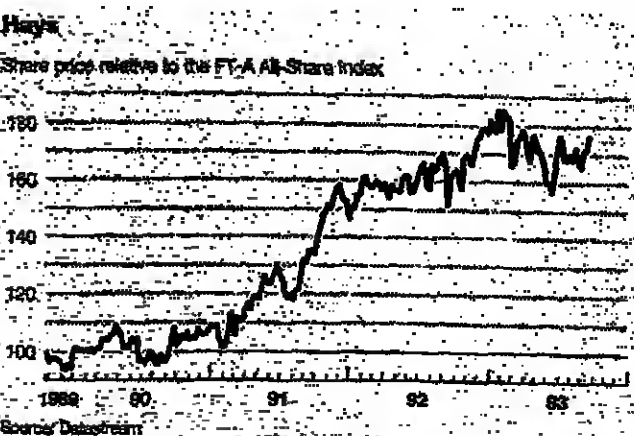
If the Russian-inspired sell-off is added to the losses of the days before the crisis and after it, the Dow has fallen almost exactly 100 points, or 2.7 per cent, over the past week. By allowing investors to let off steam from an overheated market, Yeltsin may have done Wall Street a favour.

## Patrick Harverson

Monday	3575.90	-37.45
Tuesday	3537.24	-38.66
Wednesday	3547.02	+9.78
Thursday	3539.75	-7.27
Friday		

## The Bottom Line

## Hays delivers the goods



Source: Datastream

in personnel from 1,500 to 850 by the end of last year, Frost says 75 per cent will drop straight through to the profits line.

Analysts also admire niche businesses such as Britdoc, the group's overnight letters bus-

**W**HEN the White House is surrounded by angry crowds denouncing the country's political leadership and urging military intervention to oust the President, and the vice-President has rushed to claim supreme state authority, it is not surprising that Wall Street panics.

Sounds like the plot for Tom Clancy's latest book? Not so fast. This actually happened this week. On Tuesday, share prices plunged as the first reports came in of the turmoil engulfing the White House. At one point mid-afternoon, the Dow Jones Industrial Average was down almost 70 points, and the "circuit breakers" on the New York Stock Exchange were triggered in an attempt to halt the slide. Although prices eventually recovered to end the day down only 38 points, the stock markets had received a nasty jolt.

The jolt would have been much nastier, of course, if the White House at the centre of the political crisis had been the one at the end of Pennsylvania Avenue, and the president facing hostile crowds and

a possible coup had been a former governor of Arkansas with a weakness for Big Macs. But this was the other White House, the one 4,683 miles away, also known as the Russian parliament in Moscow. And it was the other president, the one with a weakness for dissolving parliaments and fighting political crises.

Wednesday's front page news told the full story: of how Boris Yeltsin shut down parliament and called new elections for December; of how opponents denounced his actions as a state-sanctioned coup d'état; and claimed political power for themselves; and of how stock market investors in the US, fearing a civil war, or the very least an end to liberalisation in Russia, started selling shares in a frenzied hurry.

There was nothing unusual in that. There is a long history of stock market panics prompted by dramatic news events from abroad: the Saudi Arabian oil embargo of October 1973; the Iraqi invasion of Kuwait in August 1990; the coup attempt against former Soviet president Mikhail Gorbachev in August

**T**HE market value of Hays, the business services group, has recently climbed through the £1bn barrier – not bad for a company which was floated with a capitalisation of £283m in late 1989, just before the UK economy moved into recession.

Investors have become very disenchanted with groups such as BET, which boasted that business services were "recession-resistant" – only for their results to collapse when the economy really did turn down.

However, Hays has substantially outperformed the market, as the chart shows. One reason is that it is among the small group of companies which provide contract distribution, through dedicated warehousing and transport fleets, to leading retailers such as Sainsbury and Marks and Spencer.

Ronnie Frost, Hays' forceful executive chairman, argues that recession can help even his group, as it forces companies to put out to contract activities which they were content to do themselves when profits were not under threat.

Frost says this happened in the UK and has also been demonstrated recently in France, where Hays last year bought Evl, a national distributor for £37.5m. He believes the same process will occur in Germany as recession bites, hence the group's acquisition in July of Mordhorst, a Kiel-based national distributor, for an initial £32m.

Not all of Hays' activities have responded so well to recession. Operating profits from the personnel business, which specialises in recruiting accountancy staff, plunged from £15m in 1990 to a mere £4.6m two years later.

News that personnel's operating profits had improved by 40 per cent to £6.7m in the year to June 30 was one factor behind the enthusiastic reception given to the group's annual results this week. Having slashed employee numbers

the UK leads to a price war that undermines the high profit margins enjoyed by UK food retailers, which have long been the envy of their European counterparts. The group would initially benefit from any increase in volumes caused by a price war, but would seem likely to suffer in the longer term if a less profitable environment causes retailers to re-examine their costs.

Hays has already started to seek more industrial distribution contracts, but believes that its recent acquisitions will allow it to offer pan-European distribution facilities to customers such as Seagram's, the Canadian drinks group, and Moët Hennessy, LVMH's champagne and brandy business.

Hays does have cyclical businesses within the group. The distribution of bulk chemicals has suffered from a drop in margins which will only

recover when the UK climbs out of recession – a process which Frost this week warned "looks as if it will be long and slow."

Frost talks with evangelistic zeal about the group's businesses and his upbeat view of the UK recovery seemed to be aimed at forestalling previous criticism by analysts that Hays has been guilty in the past of not quite delivering on expectations it raised.

It should be said that the same analysts give Frost credit for having established a strong management team, and were impressed by his view that Hays was capable of doubling the size of its business over the next few years.

Given the company's track record, it is no surprise that Hays shares are currently trading on a 20 per cent premium to the market. That rating limits the scope for short-term advance, but the shares do not look expensive on a long-term view, given the quality of the businesses and the potential of its pan-European distribution strategy.

Andrew Bolger



## FINANCE AND THE FAMILY

# Beat the rush, pick your Pep early

Philip Coggan asks the experts to recommend the best schemes for growth, income and total return

**T**HE EXISTENCE of a deadline often creates the tendency to leave decisions to the last minute. So it is with Personal Equity Plans. Although there is no logical reason to wait until February and March before investing for tax free income and capital gains, Britons seem to need the spur of the end of the tax year to take action.

In 1992, September was probably the best time to invest in a Pep since those who did so caught the post-Black Wednesday rally in share prices. This year might be different, but investors should still consider investing in a Pep before the end of the tax year rush.

A couple of caveats. In the early years, the label tax-free on a Pep does not mean much. If a Pep yields 4 per cent, then a basic rate taxpayer who invests the full £8,000 will save just £48 in tax. That can be wiped out in a day's trading, so remember, a Pep is only for long term investment.

Secondly, charges can outweigh the tax benefits in the early years. Watch this carefully, therefore, for basic rate taxpayer, unit trusts, which do not normally impose any additional charges for Peps, may be the best bet.

Bethan Hutton's piece below explains the various types of Peps on offer. Since there are so many to choose from, the *Weekend FT* asked three financial advisers to pick three Peps, one for income, one for capital growth, and one for total return.

John Cole, group managing director of Berry, Birch & Noble selects the Fidelity High Income Pep for income. "We prefer to keep the income requirement in perspective and would encourage going for a reasonable yield with insuring protection of capital," he says. "We favour the Fidelity Pep after taking into account charges, yield and record. It has an estimated yield of 5.9 per cent per annum which can be paid monthly. Up to half the portfolio can be invested in fixed interest stocks to provide greater security."

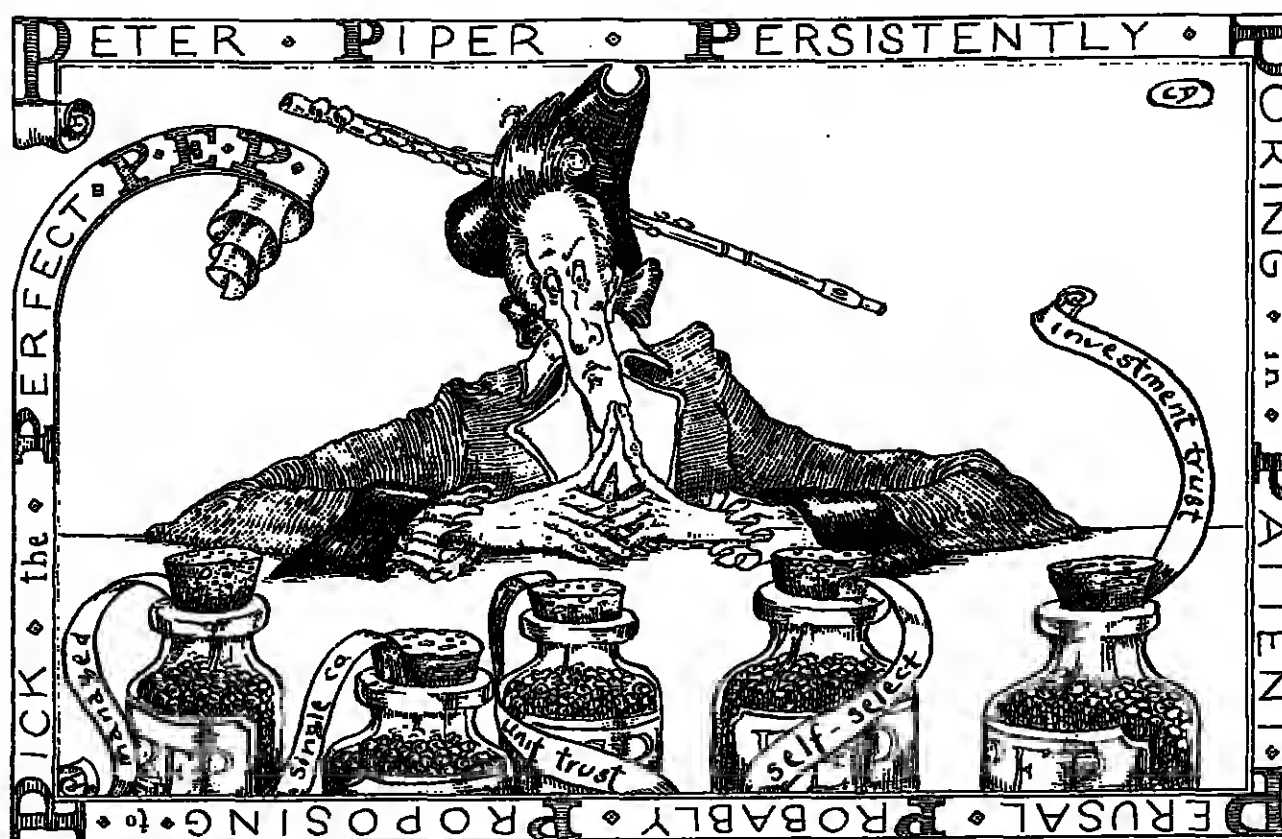
"Although only launched in February, it has made an

impressive start showing a total return, including income and charges, of more than 11 per cent during a six month period. The yield is not over-ambitious bearing in mind the mix of investments and should avoid sacrificing capital growth."

Even when investing for capital growth, Cole says there is little point in going for a fund without a reasonable yield, because the main benefit of a Pep is the income tax exemption. "We feel smaller companies offer the most attractive growth prospects at this stage but must be viewed as higher risk."

"We recommend the Amicable Smaller Enterprises Trust, an investment trust managed by Scottish Amicable Investment Managers, which has an estimated gross yield of 3.8 per cent and a discount to net asset value of 8 per cent. It aims to provide growth of capital and income through UK smaller companies, particularly the lowest 10 per cent by market capitalisation. The fund is Pepable through a self-select plan, such as that offered by brokers Allied Provincial. Although it is too early to speak of track record, the managers have a tremendous pedigree and are investing in one of our favoured sectors."

"For total return, we would recommend the Perpetual High Income fund. Its record is exceptional, with growth of 174.2 per cent since its launch



in 1989, well ahead of the sector average. It has an estimated yield of 4.27 per cent. In looking at total return, we believe the great attraction of Peps is income accumulation and this fund balances a good yield with capital growth."

Clive Scott-Hopkins, marketing director of Towry Law, says: "For income, it has to be Hypo Foreign & Colonial which, earlier this year, set up their cleverly structured High Income Plan. This invests in FT-SE 100 shares and high

yielding debenture stock, with put and call option trading to give up most of the potential growth for a higher immediate return."

"The fund is a case of 'jam today rather than cream tomorrow' with a current

income yield of 10 per cent, payable monthly. HF&C uses hedging techniques to guard against a severe market fall and we feel this fund is very suitable for the retired investor who needs an immediate boost to spendable income."

"For growth, we favour Perpetual's Growth Fund which takes full advantage of the Pep rules which allow up to 50 per cent to be invested outside the EC. Currently, nearly 20 per cent is in the US and almost 25 per cent in the Far East, including Japan. Since launch in September 1989, the fund has grown by almost 125 per cent (offer-to-offer including reinvested income) and has been a top quartile performer most of the time."

"With Perpetual's outstanding success in world markets, we believe it should continue to achieve above average results (and this fund would lend itself to monthly savings). "For total return, we like Perpetual's Income fund, which we believe has the right balance for growth of both capital and income. The yield is 4 per cent and it is almost entirely invested in UK equities."

"Since launch in February 1989, it has achieved over 150 per cent growth (offer-to-offer including reinvested income) and is first in the income sector. With Perpetual's known skills at stock selection, we believe it should continue to achieve an above average overall return."

Graham Spinks of Murray Noble says: "Our view is that clients would be better off investing in a self-select Pep rather than the ready made plans, since charges can be lower (if commission is

rebated) and the client has control over asset allocation."

Spinks favours self-select plans from broker Charles Stanley, with an annual 0.75 per cent charge and an initial charge of £28, or from Pilling, which has no initial or annual charge, but levies £6.75 per dividend payment.

For income Spinks says: "Half the Pep should be invested in the high yielding shares of a split capital investment trust, such as River & Mercantile or New Throgmorton, which can yield around 9 per cent. Further, we would suggest that clients use the non-qualifying element of a Pep (£1,500) by investing in an international fixed interest unit trust, such as Commercial Union's Global Bond Fund. The latter may also produce capital gains for the investor, given international reductions in interest rates. The final quarter of the Pep would be invested in high yielding utility stock, such as British Gas."

For capital growth, Spinks says: "We are keen to stress the need to have exposure to emerging markets because of the tremendous growth prospects that these areas of the world offer. These can be incorporated within the £1,500 non-qualifying limit; we would opt for a trust such as Templeton. To balance the volatility of emerging markets, we would recommend zero coupon preference shares of investment trusts, such as St David's. These are slightly more risky than gilts and typically yield just under 8 per cent."

"We feel that such an arrangement, perhaps with the inclusion of a smaller companies fund such as TR Smaller Companies IT, will serve investors better than the typical Pep allocation of 60 per cent UK equities. We believe the latter is unsound, given the political uncertainty and structural weakness attaching to the UK market."

For total return, Spinks again suggests incorporating a combination of emerging markets and zeros for capital growth. "The income portion of the Pep would then be the high yielding income shares of a split capital investment trust."

## THE MANY FACES OF A TAX-EFFICIENT INVESTMENT

### Peps: the options.

Every UK resident aged over 18 is allowed to invest up to £8,000 a year in a general Personal Equity Plan, and £3,000 in a single-company Pep, so a couple can invest up to a joint total of £18,000 a tax year. You can only start one of each type of Pep a year but you can choose different managers for the general and single company plans.

The Pep investments must be predominantly based in equities and in European community investments. This means that if you choose to

invest in a collective fund, less than 50 per cent of its investments can be bonds or gilts, or in shares outside the EC. A maximum of £1,500 a year can be invested in funds, such as a Japanese unit trust, which do not qualify in this way.

### General Peps:

■ Managed. These are plans operated by stockbrokers, financial advisers or fund management groups. You give them the discretion to invest in a range of shares, investment trusts and unit trusts. Performance statistics for

these Peps are difficult to obtain, so often the only information you can base your choice on is their charges or the performance of another fund by its manager.

■ Investment trust. These are usually run by investment trust management companies, and use a Pep to invest one investment trust, or several managed by the same group. You can invest through regular savings schemes. There are likely to be extra charges for Peps, so basic rate taxpayers need to work out carefully whether the charges outweigh the tax benefits.

■ Unit trust. Similar to investment trust Peps, but investing in unit trusts. Savings schemes can be used. There is usually no additional charge for a Pep on top of the up-front and management charges - so if you are going to buy a unit trust, you might as well buy it in Pep form.

■ Self-select. You make your own choice of one or several shares, but the paperwork is handled by a manager, who charges for the service. The level of charges is the main deciding factor, but some managers also offer investment advice. If you wish to transfer

shares you already own into a Pep, you must sell them and buy them back again. This "bed and breakfasting" may result in a capital gains tax charge.

■ Corporate. These schemes are organised by a company through an outside manager to encourage employees or other investors to buy its shares. Corporate schemes have the advantage of lower costs, but they are inflexible - there is no opportunity to switch your investment if it does not perform well. A few corporate Peps also allow investment in some collective funds or other

companies' shares on top of the main company's shares.

### Single company Peps:

Particularly useful as a tax shelter for shares transferred from employee share option schemes, or for investors who have already used up their general Pep limit for the year. Only one company's shares can be held at any time, but it is possible to switch between companies. Single company Peps cannot be used to buy unit or investment trusts.

Bethan Hutton

**MOST PENSION PLANS SEEM TO FIND ONE QUESTION A LITTLE TOO PERSONAL: HOW OLD ARE YOU?**

Even though they ask your age, most pension plans do little about it. Yet it's you who could be financially embarrassed.

With Gartmore's LifePlan your investment automatically shifts away from higher-risk, higher-return equities to safer bonds and cash deposits as you approach retirement.

**Gartmore**  
PERSONAL PENSIONS

For a personal pension that acts your age, please call free of charge on 0800 289 336 or send off the coupon.

Please send me more information.

Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone No. \_\_\_\_\_

Gartmore Pooled Pension Limited, Gartmore House, PO Box 65, 16-18 Monument Street, London EC3R 8RQ. The information provided may be used for our marketing purposes.

Please remember the value of units of the Pensions Funds may go down as well as up, and you may not get back the amount invested. This advertisement has been issued and approved by Gartmore Investment Limited, a member of IMRO.

**When you offer top performance you don't have to shout about it.**

At Newtons, we have a single, simple purpose in life: to increase the real wealth of our clients.

Personal investment management has always been at the very heart of our business. We manage assets of over £400 million (US\$550 million) on behalf of individual investors including international clients. And over £4 billion overall.

At Newtons, personal clients enjoy direct access to the investment management skills which are more traditionally the preserve of the institutional investor: the same skills that have given Newtons its record of outstanding performance.

If you would like us to apply a similar level of commitment to your assets, please telephone Guy Hudson on +44 71 332 9000 or write to him at Newton Investment Management Limited, 71 Queen Victoria Street, London EC4V 4DR.

**NEWTON**

Newton Investment Management Limited is a member of IMRO.







## FINANCE AND THE FAMILY

Unit trusts/St James Place

## Small team, broad themes

Philip Coggan finds long-term thinking and a record to match

THE investment team of St James Place unit trust group consists of three men - Nils Taube, John Hodson and Cato Stoner - working from a tiny office in an elegant Palladian building in the West End. Sitting at desks, strategically placed within prospectus-throwing distance of each other, the three men spend the day swapping ideas and looking for investment themes, from which they hope their funds can profit.

As well as the St James's Place range of unit trusts, the trio runs pension and life funds for J Rothschild Assurance, the life assurance company recently established by Sir Mark Weinberg and Lord Rothschild.

Nils Taube is definitely the guiding spirit of the team. He has been a director of George Soros's Quantum fund for 15 years, and has been linked with Lord Rothschild since 1982. He has been managing the St James's Place International fund (which has had various names) since 1971.

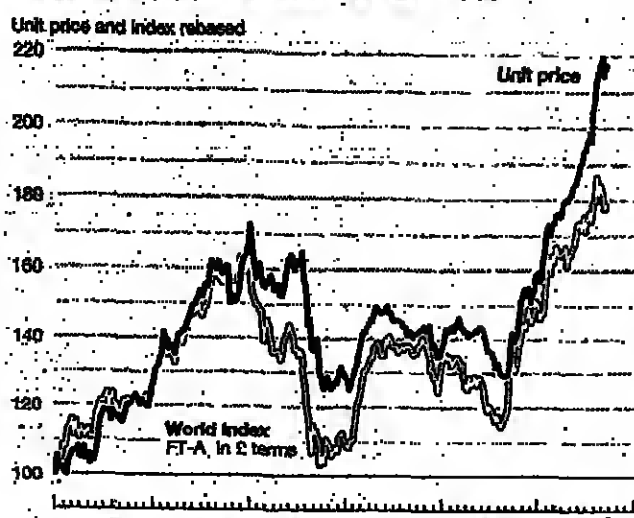
Taube's long-term record commands respect. The international trust ranked first out of 43 funds in the international equity growth sector over the 10 years to September 1, with growth of 459.4 per cent (offer-to-bid with income reinvested; source: Microcap). It also achieved first quartile performance over the one, three and five year periods, with growth of 62.6, 62.7 and 89 per cent respectively.

The trust follows a stock-picking style and he says the geographical allocation of assets stems from stock selection, rather than the other way round.

The current split of funds under management is (all figures percentages) UK (16.9 per cent), US (22.5), Canada (3.8), Australia (2.4), South Africa (0.2), France (0.9), Germany (9.7), Sweden (1.1), Switzerland (4), Italy (14.4), Czechoslovakia (1.1), Japan (12.6) and Argentina (1.8). The remainder of the trust, just under 9 per cent, is invested in cash and bonds.

Taube adds that he sees currency and stock selections as entirely separate. "Probably what makes us different from the others," he says, "is that we are not in the least bit afraid of hedging currency risk if we want to. Although only 16 per cent of our assets are in UK equities, 46 per cent are in sterling."

## St James's Place International Unit Trust



The investment team looks for undervalued stocks round the world and is willing to be a long term holder. One stock, the US-based Pep Boys Manny Moe & Jack, has been in the fund since launch - its original cost was £22,000, while its current value is over £1.5m.

It is better still if a stock can be both cheap and fit into one of the team's themes of the moment. Like some other fund managers profiled in this series, St James's Place is enthusiastic about the prospects for the Italian telecommunications group, SIP/STET, which at the end of January made up 6.44 per cent of the assets of the trust.

The enthusiasm for SIP/STET, although based on the shares' cheapness relative to cashflow, fits into the theme of communications, which Taube believes will be the growth sector of the decade.

Other stocks in the portfolio which fit the communications theme include News Corporation, Security Services (which owns a stake in the Cellnet mobile phone system), the Mirror Group and Nextel, a US telecommunications group. Another portfolio theme is insurance. The company owns stakes in Royal and Sun Alliance in the UK, TIC Holdings in the US, Munich Re in Germany, Allianz in Italy, Swiss Re in Switzerland and, in Japan, stocks such as Mitsui Marine and Sumitomo Marine. "I like the reinsurance companies because there has been a shakeout of capacity and premiums are rising," says Taube, "whereas we like Allianz

because the Italians are behind other countries in their use of life insurance."

Cross-border plagiarism is another general theme of Taube's. A development in one market, such as the US, will often be copied in other markets. An example was the way in which supermarkets spread

from the US to the UK in the 1980s.

The International fund remains relatively small, with £87m under management, although the link to J Rothschild Assurance may build up the fund over time.

The group has two other funds in the international equity sector, growth (5th over one year, 30th over three years) and North American and International (43rd over one year, 6th over the 10 year period).

The three funds tend to own similar stocks, although with different emphases. Taube says that the growth fund has done better than the International fund over the past year because it had a large stake in SIP/STET.

Charges. The initial charge is 5 per cent and the annual charge is 1.5 per cent. The bid-offer spread is around 5.5 per cent. The minimum initial investment is £1,500. There is no savings scheme attached to the trust. Both income and accumulation units are available, although the fund is managed for capital growth, so the yield is very small - less than 0.1 per cent.

ONE OF the taxman's best kept secrets is that, with careful planning, foreign nationals living in the UK can often avoid paying any tax at all. For such people the UK is an excellent tax haven.

It is surprising how many foreign nationals do not know this, or, if they do, fail to take action in time, particularly as the amounts of tax at stake are sometimes very large.

Consider Mr B, a Middle Eastern businessman, who came to the UK with his family in March 1980. He has £2m cash in a bank outside the UK and a London residence worth £200,000 which he acquired in 1988. He uses the deposit interest to meet his living expenses, and he also used it to fund his house purchase.

He dies in 1997, his wife having predeceased him. He leaves everything to his children, who all wish to remain in the UK.

He has had no contact with the UK Revenue. After his death, his children learn that to obtain probate they must pay inheritance tax of £800,000 on his worldwide estate of £2.2m. They then learn that the estate faces an income tax bill of £840,000 for 17 years' unpaid income tax.

Finally, they discover that the entire £1.5m tax bill could have been avoided if their father had taken four steps.

Most of the steps depend upon Mr B having retained his foreign domicile. One's domicile is one's permanent home. Provided appropriate action is

## Four steps to haven

taken, foreign nationals living in the UK can often retain their foreign domiciles for many years.

The first step Mr B should have taken is to bring capital rather than income into the UK. The capital must be "clean" capital, that is, it must not contain capital gains or income accruing while Mr B was resident in the UK. This should not have been difficult for Mr B to arrange. He could have put all his cash into one offshore bank account (the capital account) before coming to the UK, and opened a separate, initially empty, offshore account to which the interest earned on the cash would be credited. He would then draw on the capital account alone.

So long as Mr B is domiciled outside the UK, only income and gains brought into the UK are subject to tax, and as the capital account contains neither, money paid from it to the UK is tax free.

If Mr B exhausted the capital account and had to draw on the income account he would have become liable to income tax on the income brought into the UK. But he could have avoided the tax if, before drawing on the income account, he

had restructured it by closing it down and opening suitable new accounts. This is the second step. It requires timing and planning, but it can be used to wash out the income tax liability and create a new "clean" capital account, which can be drawn on free of tax.

The third step is for Mr B to put his non-UK assets, ie his cash, into a suitable offshore trust. This ensures that UK inheritance tax on the cash is avoided on his death.

Under the inheritance tax regime, foreign assets are only free of inheritance tax if their owner has been resident in the UK for tax purposes for less than 17 of the last 20 tax years.

As tax years cut across calendar years, it is not uncommon for someone who has been in the UK for little more than 15 calendar years to be caught and their worldwide assets become subject to inheritance tax on their death at the rate of 40 per cent above £150,000.

Mr B could have avoided this by putting his assets into a suitable trust, before the 17-year period elapsed. So long as the trust assets are kept out of the UK, no inheritance tax is payable.

If the trustees are resident

and the trust is run outside the UK, it can be used to avoid capital gains tax in the long term, and to defer income tax.

The trap foreign domiciliaries most frequently fall into is to fail to create a suitable trust until it is too late. Any one of significant means who arrived in the UK more than 10 years ago should be considering creating such a trust.

This leaves the house. There are various ways of avoiding tax on it, but the least expensive and most satisfactory is for Mr and Mrs B to make appropriate wills.

Under conventional wills it is not possible to avoid inheritance tax on a couple's residence, but inheritance tax at current rates on the first £300,000 of the matrimonial home can be avoided. This technique, which involves the use of discretionary trusts is also available to UK domiciliaries and I will describe in a future article.

If Mr B had used these strategies the tax bill on his death would have been reduced from £1.5m to nil.

Prompt action on arrival in the UK is essential and can pay immense dividends. Even so, with careful planning it is usually possible to achieve significant tax savings provided the 17-year period has not expired.

John Liddington

John Liddington is a tax planning, trusts and wills partner with London solicitors Speechly Bircham.

Outrun inflation.  
Earn 3.25% pa compound,  
on top of inflation, guaranteed  
over 5 years.

In 6th Index-linked Issue Savings  
Certificates.

Your earnings are tax-free. Your money  
is totally secure.

What else do you need to know?

You can invest from £100 to £10,000  
in multiples of £25. That's on top of any other  
Issues of Savings Certificates you might hold.

Why not use this form to get them by  
remote control.

Your cheque should be crossed "A/C  
Payee", and made payable to 'NATIONAL  
SAVINGS (SAVINGS CERTIFICATES)' - using  
CAPITAL letters for this part of the cheque.

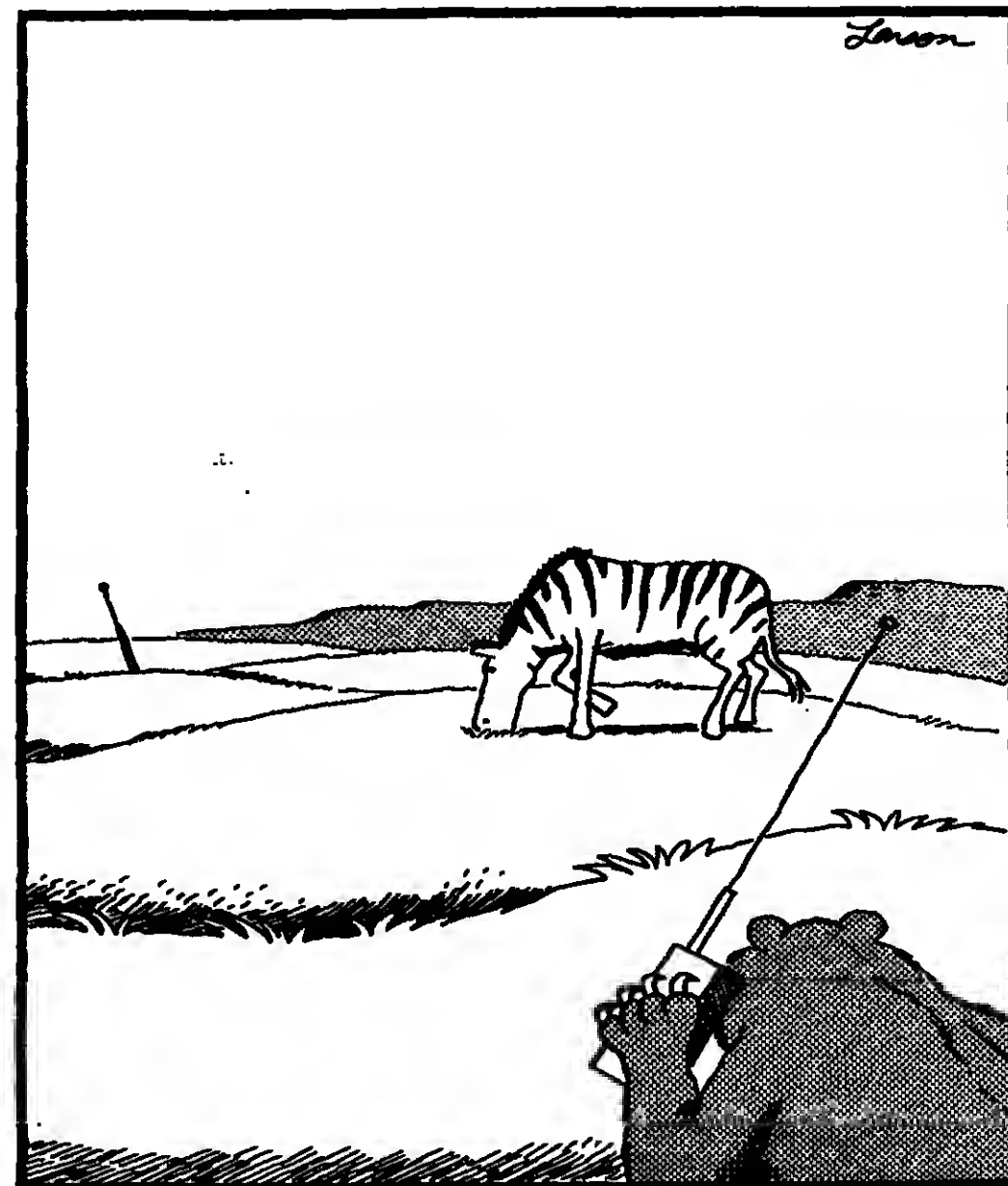
Please write your name and address on  
the back of your cheque.

Post your completed application form  
and cheque to National Savings, Freepost  
DU51, Durham DH99 1BT.

If, before applying, you would like an  
information leaflet and a prospectus, pick  
them up at your post office where you can  
also buy your Certificates. Or call us free,  
24 hours a day, 7 days a week on 0500 500 000.

This advertisement is a simplified guide to the terms and  
conditions for the sale of 6th Index-linked Issue Savings  
Certificates. The prospectus contains the full terms. If you buy  
by post, when we receive your completed application form and  
cheque, we will send you a copy of the prospectus. Once we have  
accepted your application we will send you your Certificate,  
normally within a month. The purchase date will be the date we  
receive your application.

If however, on receipt of the prospectus you wish to cancel  
your purchase, tell us in writing within 28 days and we will  
refund your money. Your application can only be accepted if the  
issue you ask for is on sale when we receive it. Each year the value  
of your Certificate is guaranteed to move in line with the rate of  
inflation as measured by the Retail Prices Index plus Extra  
Interest as set out in the prospectus. Lower rates of return are  
earned on Certificates repaid in less than five years; no index-  
linking or Extra Interest is earned on a Certificate if repaid in the  
first year. Any Issue of Savings Certificates can be withdrawn  
from sale without notice.



## National Savings Index-linked Certificates. Just the thing to keep you ahead of the game.

Please send this form to: National Savings  
FREEPOST DU51  
DURHAM, DH99 1BT

For National Savings use only

If you prefer, attach a first class stamp for rapid delivery.

1 I apply to buy 6th Index-linked Issue Certificates to the value of £ (Amount of cheque)

2 Do you already hold National Savings Certificates? (Please tick) Yes ☐ No ☐

If you do, please quote your Holder's Number

3 M (Mr Mrs Miss Ms) Surname

All forenames

Permanent address

Postcode

Date of birth (essential for under 7s)

4 I understand the purchase will be subject to the terms of the Prospectus

Signature

Date

Daytime telephone number (useful if there is a query)

This form cannot be used to purchase Certificates at a post office or bank.

NATIONAL  
SAVINGS

SECURITY HAS  
NEVER BEEN SO  
INTERESTING.

## Directors' Transactions

THE SALE of 20,000 shares by Gordon Bond at Arjo Wiggins Appleton, the specialty paper group, was made following the announcement of interim figures which were marginally up on the same period last year.

The sale by three directors of Jupiter Tyndall, the banking and investment management group, of more than 1.5m shares has been made just before the company went into its close period. The share price has been performing well over the year but the sale almost halved the holding of chairman John Duffield.

The Scottish packaging com-

pany, MacFarlane Group (Glensman) has enjoyed a good rise in its share price over the past year. Directors have been selling the whole way up; the most recent transaction, by Gordon Lane, was made at 209p.

Simon Engineering announced interim results at the beginning of September. In spite of announcing a loss before tax for the first six months of the year, three members of the board, including A M Davies, the new chairman, bought a total of 79,000 shares at 59p.

Colin Rogers, the Inside Track

## DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED &amp; USM)

Company	Sector	Shares	Value	No of directors
<b>SALES</b>				
Arjo Wiggins A'ton	Pack	20,000	43	1
Beattie (James)	Stor	79,000	117	1
Birkby Group	Misc	20,000	38	2
Bordier TV	Med	20,000	28	1
British Land	Prop	52,831	211	8
Capital Radio	Med	21,000	44	1
Cater Allen	Off	8,000	30	1
Conrad Pittbitt Sinc	Prop	750,000	356	1
Croda International	Chem	33,000	109	1
Delgaty	Fab	135,858	686	1
European Motors	Motr	70,000	98	1
Fairway	Misc	25,000	18	1
Hambro Countrywide	Prop	80,000	49	1
Henrys	Motr	35,000	84	1
Jupiter Tyndall	FdMa	1,526,279	3,478	3
Land Securities	Prop	5,000	32	1
MacFarlane (Glans)	Pack	45,000	94	1
Meyer Int'l	FdMa	70,085	263	3
Perkins Foods	FdMa	983,313	873	1
Prudential	Insal	150,000	505	1
Ree Brothers	Merc	150,000	74	1
Reed International	Med	12,758	89	1
Rofte & Nolan	BusE	10,000	24	1
Taunton Cider	Brew	10,000	21	1
Warner Estate	Prop	300,000	750	1
Wessex Water	Watr	5,000	39	1
<b>PURCHASES</b>				
Babcock Int'l	EngG	50,000	18	1
Beattie, James	Stor	17,466	27	1
Business Technology	Misc	205,000	25	2
Fairhaven Int'l	ORG	50,000	13	1
Forminster	Taxi	10,000	55	1
Forth Ports	Tran	30,000	107	2
Half Engineering	EngG	10,000	37	1
Holmes Protection	BusE	300,000	108	1
Molyns	EngG	900,000	120	1
Pharmacia	Phar	18,000	41	1
Regellan	Prop	90,000	18	1
Savills	Prop	50,000	30	1
Sheffield Insur'ns	EdMa	12,000	27	1
Simon Engineering	EngG	79,000	47	3
Specialities	Hth	500,000	75	1

Value expressed in 000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (if 100% subsequently sold, with a value over £10,000). Information released by the Stock Exchange 15-17 September 1993.  
Source: Directors Ltd, The Inside Track, Edinburgh



For all investors everywhere, security is a key concern. With Fidelity Money Funds, you have all the reassurance you could wish for.

In the first place, deposits are made only with banks chosen

and continuously monitored for their credit-worthiness. And

secondly, the Funds have a Moody's Triple A rating (Aaa) for investment quality - the highest available. That's a higher rating than 99% of banks around the world.

Now, Fidelity Money Funds are available in all 23 of the world's freely available currencies. That's more than any other range. In each one, we offer wholesale rates of interest, paid or accumulated gross. And you can buy, or convert between them, at extremely favourable rates of exchange. This, combined with Fidelity's fast and expert dealing, represents excellent value for money for our clients.

#### Fidelity FactFile

Money Funds offer:

- ▶ 23 Currencies
- ▶ Moody's Triple A Rating
- ▶ Excellent exchange and interest rates

In short, we believe Fidelity now offers the most flexible range of money funds. And gives you the reassurance of being with an organisation that



looks after over \$60 billion in cash products worldwide. The distributor of Fidelity Money Funds is Fidelity Investments Distributors, Bermuda. For more detailed information including current interest rates just contact one of the offices below or return the coupon.

UK Tel: 44 732 777377 Fax: 44 732 638886  
 Jersey Tel: 44 534 888899 Fax: 44 534 34244  
 Hong Kong Tel: 852 848 1000 Fax: 852 848 2608  
 Luxembourg Tel: 352 250 404 231 Fax: 352 250 340

To Fidelity Investments, European Service Centre, 3rd Floor, Kinnell House, Place de l'Europe, BP 2174, L-1021 Luxembourg. Please send me more information on Fidelity Money Funds.

Name (Mr/Ms/Ms):

Address:

Postcode:

Country:

Tel No:



Fidelity Investments

Issued by Fidelity Investments International

## Scottish Eastern

Net assets up  
**37.9%**  
 in 12 months

Net assets up 9.3% in 6 months  
 Interim dividend up 4%

The Scottish Eastern Investment Trust plc is one of the UK's oldest and largest international investment trusts with net assets of £549 million. Its objective is to seek long term capital growth for shareholders. At the half way stage in its current financial year (interim results to 31 July 1993), net assets have grown 9.3%, taking the increase during the past 12 months to 37.9% and making Scottish Eastern the leading fully PEP-able investment trust in its sector.

You can invest any amount from £20 to £200,000 or more in Scottish Eastern through the Martin Currie Savings Plan without incurring any charges bar stamp duty. You can also invest the annual PEP maximum of £6,000 in Scottish Eastern through the Martin Currie PEP Club.

You should remember that past performance is not necessarily a guide to the future.

Market and currency movements may cause the value of shares and the income from them to fluctuate and you may get back less than you invested when you decide to sell your shares.

If you are looking for long term growth and would like more information about Scottish Eastern, complete and return the coupon below or call FREE on 0500 61 62 65.



MARTIN CURRIE

Martin Currie Investment Management Ltd.  
 Solihull Court, 20 Castle Terrace, Edinburgh, EH1 1QS  
 Member of BMO

Please complete and return this coupon to: Rachel Mackenzie, Martin Currie Investment Management Ltd, FREEPOST (EH2 992), Edinburgh EH1 0AL.

Please send me a copy of the:-

Scottish Eastern Interim Report ☐ Martin Currie Savings Plan ☐ Martin Currie Personal Equity Plan ☐

Name:

Address:

Post Code:

FTS/500

This advertisement has been issued by the board of The Scottish Eastern Investment Trust plc and has been approved by Martin Currie Investment Management Ltd ("MCIM"), its managers and secretaries. MCIM is a member of BMO. Scottish Eastern is not a member of one of the regulatory organisations set up under the Financial Services Act 1986 because its business does not constitute investment business as defined therein.

## FINANCE AND THE FAMILY

# Rhapsody in prudence

Bethan Hutton on how to insure musical instruments against passing coat-tails, the roadie's beer or the casual attitude of their own players

IF YOU knew an object was worth several thousand pounds, and was so delicate that one crack could halve its value, you would normally treat it with some respect. You would hesitate to entrust it to a teenager, bundle it into a car boot, or lug it around on public transport. But people do this all the time - a cello is designed to be played, after all, not locked away for safety's sake.

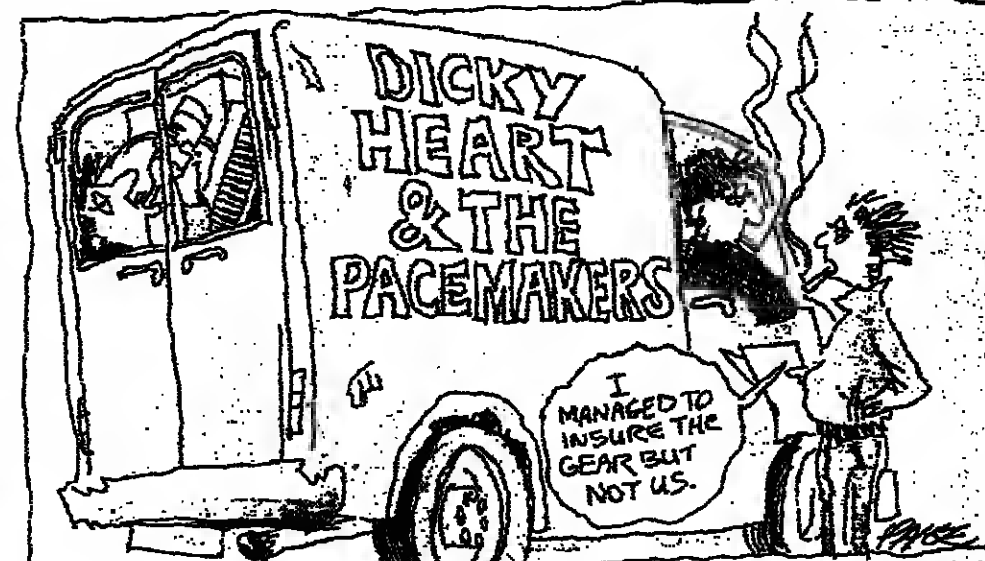
Many musical instruments are not only valuable, but fragile, yet the attitude of players can be somewhat casual. Instrument repairers point to workshops full of cracked bows, left balanced on music stands, and chipped violins, abandoned on chairs during rehearsal breaks with oaks sticking out to be caught by passing coat-tails. Brass and woodwind instruments are slightly more robust, but cannot take rough handling.

A decent, student-quality musical instrument could be one of the single most valuable items a family owns; older pieces, perhaps passed down through the generations, can easily be worth five-figure sums. Household insurers are usually willing to cover musical instruments up to a certain value, for example £12,000 at Legal & General, but you will need to ensure the instrument is named on the policy, and you will pay extra for accidental damage cover, or all-risks if the instrument is ever taken outside the home. Sun Alliance charges £30 per £1,000 value for all-risks cover, for example.

If you have an instrument you do not play, but which you keep as an investment or for sentimental reasons, clumsiness or carelessness should not be such a problem, but insurers will need to know that it is kept properly. They will not cover hazards such as woodworm or deterioration caused by extremes of temperature.

However, claims handlers at general insurers may not be familiar with the peculiarities of musicians' requirements. Damage claims are more common than theft claims, and expert repairs can be very expensive. Household insurers are not used to paying large amounts for possessions to be repaired: it is often cheaper and easier to throw out a damaged video recorder and buy a new one, but few musicians would want to junk a 200-year-old instrument if it suffered one dent too many.

The wording of most home



contents policies is unlikely to allow compensation for loss of value if a damaged instrument can be repaired, but will never be worth as much again. If the instrument is ever played professionally it becomes "business equipment" in the eyes of many general insurers, and is therefore excluded.

These are the kind of areas where specialist insurers may have an advantage. They are more likely to appreciate the

unattended vehicle to be excluded, there is a discount of 20 per cent.

The minimum premium is £15 - the company aims to catch young musicians who they acquire their first half-size violin or clarinet and keep their custom as they metamorphose into soloists and orchestral players. Fitted instruments can also be covered.

Barley Cooper Associates, part of the Hong Kong and

*It is often cheaper to replace a damaged video recorder with a new one, but few musicians would want to junk a 200-year-old instrument if it suffered one dent too many*

problems of antique instruments and the need for expert repairs; also they do not draw distinctions between professional and amateur players. Premiums may be lower than for an all-risks extension to home contents insurance.

The biggest name in classical music insurance is British Reserve, a division of Cornhill. It has been offering insurance for orchestral instruments for three decades, and now has the largest share of the UK market. Pop and rock musicians are excluded, but jazz is a grey area - "serious" musicians are usually acceptable.

The British Reserve insurance package covers loss and damage anywhere in the world. There are 10 per cent discounts for members of the Musicians Union and various other professional bodies. If you are happy for theft from

Shanghai Banking Corporation group, has just entered the market with a policy similar to the British Reserve one. Again, the cover is intended mainly for classical musicians, whether amateur or professional, and discounts are available for members of professional organisations. Cover can be limited to the UK, or Europe, or worldwide. The minimum premium is £50, for cover limited to the UK.

Electronic instruments present different problems to underwriters. No insurer is going to pay out if it would be rock stars start smashing up their guitars on stage. But the disruption to a sensitive synthesiser's innards caused by a carelessly placed beer can, or a rough roadie, can be covered.

The rapid pace of technical innovations means that badly damaged electric guitars or

keyboards are rarely worth repairing, even if the spare parts exist - but a musician with an emotional attachment to the guitar he played on his first big tour may insist on a repair no matter what the cost.

Entertainment & Leisure specialises in rock and pop music equipment, even disc jockeys' records and microphones, but it will also cover classical instruments. Premiums depend on the type of equipment or instruments being insured, and whether the things insured are kept in one building or need to be covered for anywhere in the UK. The wider option includes an automatic 31-day western Europe extension.

As a rough guide, managing director Brian Martin quotes an annual premium of £241 for £5,000 of heavy-duty rock equipment, and £160 for classical equipment to the same value. A teenager's £500-worth of electric guitar and amplifier, kept in the home, would cost £30 to insure, or £39 if it was used in practices or performances elsewhere. E & L can also provide performers' public liability cover of up to £2m, and pays up to £2,000 for the hire of replacement equipment. Galaxy 7 is another specialist offering insurance for musical instruments used for classical, jazz, pop and other types of music. Even karaoke equipment can be insured. The choice ranges from cover limited to a single building in the UK to worldwide, including all transit risks. The basic cost is £2 per £100 insured, with a minimum premium of £25, plus a £7.50 documentation charge. Public liability cover can be arranged as a policy extension.

## Offshore Bond Funds

# An attractive option

BOND INVESTORS who are non-taxpayers are likely to be attracted to offshore bond funds than onshore unit trusts as they pay income gross. Some resident UK citizens who are liable for tax may also choose to invest offshore because the tax payment can be delayed.

The table lists those sterling offshore bond funds recognised by the Securities and Investments Board - the chief regulator for the financial services industry in the UK - and which have a three-year performance record. SIB recognition should comfort investors, as should well-known industry names in the table.

Figures have been taken from Hardwick Stafford Wright and show the top 10 performing SIB-recognised funds in the sterling fixed-interest sector.

They are quoted on an offer-to-offer basis because some funds have a single price but add an initial charge. Were all funds to be quoted on an offer-to-bid price, the single-priced funds would receive an unfair

10 best performing offshore bond funds			
Fund	Size (£m)	Yield (%)	Perf
Barclays Sterling	255.0	8.5	71.8
TSB Off Inv Gilt & FI	1.5	7.1	70.8
Guinness FI Acc F H	3.0	7.2	69.4
Hill Samuel Fx Int £	34.1	7.2	68.3
Govett GSI UK HI Inc	13.3	8.4	67.5
CMI (Lux) UK Bond	15.6	6.9	67.4
Sun Life Secure HI Inc	8.8	7.2	67.1
Lloyds Trust Gilt	49.2	7.2	66.9
Henderson Horizon Fx	10.0	7.1	64.8
TSB Gilt Fund City Share	214.8	7.3	64.3

Source: Hardwick Stafford Wright. Offer-to-offer with net income reinvested over three years to September 1. Funds without a year record are excluded.

advantage. The effect of quoting on an offer to offer basis is that the performance figures are inflated and the returns which would actually have been achieved by an investor will have been lower.

Charges on the funds are similar to onshore unit trusts. In the range of 5-6 per cent, although they can vary widely (see Phil Coggan's Serious Money piece on Schwab's new no-load offshore fund service on Page 12). The John Govett fund, for example, carries a 5 per cent initial charge and a 1 per cent annual management

fee while TSB's charges are 3 per cent initial and 0.75 per cent annual. Barclays Unicorn Sterling bond fund also has relatively low charges of 3.5 per cent initial and 0.85 per cent annual.

The Henderson fund, an umbrella fund, carries a 4.5 per cent initial charge and 0.6 per cent annual fee; Sun Life's fund has a 6 per cent initial charge and a 0.6 per cent annual management fee.

Investors seeking income should not base their choice entirely on the size of the yield, since a bond fund can achieve a high yield at the

expense of declining capital - a problem highlighted by TSB. "We used to pay a high distribution and became concerned that we would have to pay out capital, so we have reduced the level of income," said TSB.

John Govett's Simon Osborne says that his fund's yield is achieved by investments in foreign currency bonds. A minimum of 75 per cent of the fund must be invested in UK sterling bonds but 10 per cent is in Mexican short-term paper, currently yielding 13.5 per cent. A proportion is also invested in 10-year Italian government bonds which also have a high yield.

Barclays Unicorn's sterling bond fund, managed by BZW, the securities arm of Barclays, invests only in gilts (to a maximum of 35 per cent) and Eurosterling bonds. Alan Haines, fund manager, says that the good yield has been achieved by investing in long-dated high-yielding corporate bonds.

Scheherazade Daneshkhoo

## Join BIG INVESTORS in Bonds

Save & Prosper believes that international bonds, or fixed-interest investments, should be at the core of every private investor's portfolio. Find out why.

CALL FREE 0800 282 101

9.00 a.m. - 5.30 p.m. 7 DAYS A WEEK



THE INVESTMENT HOUSE

## CASHING IN YOUR ENDOWMENT?

WE BUY WITH PROFITS ENDOWMENTS AND WHOLE LIFE POLICIES AT SUBSTANTIAL PREMIUMS ABOVE SURRENDER VALUE. THE POLICY MUST HAVE BEEN IN FORCE FOR AT LEAST 7 YEARS. THERE ARE NO HIDDEN FEES.

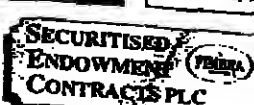
**30% Above Surrender Value Often Paid**

FOR AN IMMEDIATE QUOTE CALL OR FAX US WITH THE FOLLOWING INFORMATION:

- 1 Assurance Company
- 2 Basic Sum Assured
- 3 Start Date of Policy
- 4 Maturity Date of Policy
- 5 Gross Monthly Premium
- 6 Total Loans Attaching
- 7 Surrender Value

TEL 081-207-1666

FAX 081-207-4956





## FINANCE AND THE FAMILY

The Speculator

## The all-or-nothing share

Capital shares are at the end of the queue but have most to gain says Philip Coggan

**C**APITAL SHARES are one class of security issued by so-called "split capital" investment trusts. They pay no income and are normally the "riskiest" class of share in the trust.

Where there is high risk, there is the chance of high reward and this is where the capital share may attract the speculator. According to SG Warburg, the average capital share rose 65 per cent between January 1 and August 30 this year, when the stock market was around its peak.

The key to understanding capital shares is to grasp that they are at the back of the queue when it comes to paying out a trust's assets. An assortment of other claimants - debenture holders, zero coupon preference shareholders, income shareholders - have to be paid first. Only then, if there are any assets left, do capital shareholders get their slice. It is possible that the capital shares will receive nothing at all.

The good news, however, is that the claims of the other shareholders are normally fixed. Once the assets of the trust have grown past a certain point, all the excess gain will accrue to the capital shareholders. In a bull market (provided the trust managers are reasonably competent), capital shareholders should earn very high returns.

Furthermore, profits come in the form of capital gain. Since many people do not use up their annual capital gains tax allowance (£5,000 in 1993-94), there is a good chance that a fair slice of this gain will be tax-free.

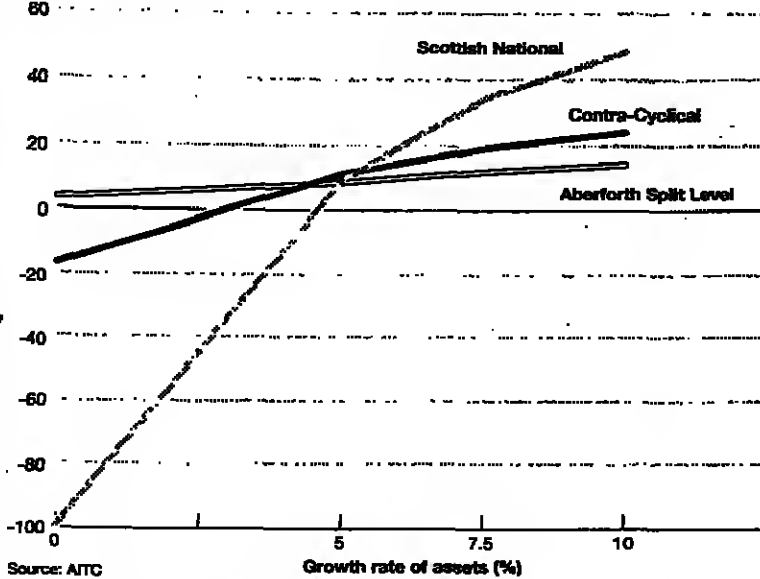
Valuing capital shares can be tricky. On the London Share Service pages of the FT (at the back of the first section on Saturdays), capital shares are often quoted at a very wide discount to their asset values.

But this figure should not be compared to the discount at which conventional investment trust shares trade. As stated above, capital shareholders are only repaid after other claimants; the asset figure which appears in the FT is based on the current value of those other claims.

However, in many cases, split capital investment trusts have zero dividend

## Capital shares

Gross redemption yield (%)



preference, as well as capital, shares. The zeros have a claim on the assets of the trust which steadily increases over the years. A more conservative way of valuing a capital share is thus to allow for the final, rather than the current, claims of other shares. If one uses that method, shares which appear to be standing at a discount, can often be seen to be trading at a premium.

Investment trust analysts tend to value trust shares by looking at their gross redemption yields over the years until the trust is wound up. They do so by assuming a number of different rates of growth of the assets of the trust.

As an example, take the shares of Contracyclical Investment Trust, which on August 31 were standing at 20p. According to the Association of Investment Trust Companies, if the trust's assets grow at 10 per cent per annum until wind-up (in seven years and seven months' time), Contracyclical's shares would return a gross redemption yield of 25.3 per cent per year.

Mouthwatering stuff. But if the assets do not grow at all over the remainder of the trust's life, the shares would return a gross redemption yield of minus 16 per cent per year. In other words, the trust currently has insufficient assets, if you allow for the final claims of other shares, to repay capital shareholders at the current share price. (This despite the fact that, on August 31, the quoted "discount" was 65 per cent.)

In cases such as this, analysts talk of the "hurdle rate", the annual rate of asset growth needed to repay the current price of the capital shares. On August 31, Contracyclical's hurdle rate was 1.8 per cent, according to the AITC. Contracyclical was not the most extreme case. On August 31, the hurdle rate for Scottish National capital shares was 4.4 per cent, ie the trust's assets needed to grow at 4.4 per cent per year to repay the then share price of 34p. But, if you took a bullish view and assumed that Scottish National could achieve 10 per cent per annum asset

growth over the remaining five years, one month of its life, the yearly gross redemption yield to capital shareholders would be a staggering 49.2 per cent.

A capital share such as Scottish National offers an extremely hairy ride as the graph shows. But some capital shares have lower risk-reward profiles.

Take Aberforth Split Level. As of August 31, the trust had more than enough assets to repay the then capital share price of 166.5p. Indeed, the trust could afford to see an annual rate of asset decline of 3.8 per cent over its remaining 10 years, 10 months of life, and still repay the capital shareholders at the August 31 price. If the assets of Aberforth Split Level do not rise at all over the rest of its life, capital shareholders will still enjoy a 4.2 per cent gross redemption yield.

But for those who take a really bullish view of the market, the rewards are much less attractive. As of August 31, a 10 per cent annual growth in assets would earn Aberforth Split Level shareholders a gross redemption yield of only 14.8 per cent.

For those who do not fancy the mathematics involved, a simpler route might be to invest in the Exeter Capital Growth fund. This is a unit trust, run by Exeter Fund Managers, which invests in a broad portfolio of capital shares. The investor is spared the chore of stock selection, at the cost of a 6 per cent initial charge and a 1 per cent annual charge.

The Exeter Capital Growth fund was third in the UK equity growth sector over the year to September 1, with a return of 83.16 per cent (offer-to-bid with income reinvested, source Micropal). But it is, by its nature, a highly volatile trust.

If your stockbroker cannot give you access to statistics on capital shares, the Association of Investment Trust Companies will send out a free sample copy of its Monthly Information Service. Thereafter, the service is payable on an annual subscription of £26 (for monthly issues) or £15 (for quarterly issues). Write to the AITC at: Park House (6th floor), 16 Finsbury Circus, London EC2M 7JJ.

## Hidden dangers in a family loan

Take care before you lend cash to loved ones writes Jennie Hawthorne

**I**N DIFFICULT economic times, it is tempting to offer financial help to less fortunate family members. Parents in particular do not want to see their sons, daughters, or in-laws get into financial difficulties when a loan might save off bankruptcy, repossession, or more positively, start or prop up a business.

Take care however, if you are in this situation and about to make a loan to your nearest and dearest. Lending has more hidden dangers than giving. When you make a gift by throwing your bread upon the

waters, you may neither hope nor expect to see it return, although sometimes this action can have the happy consequence of reducing inheritance tax on your estate.

The first danger the lender faces is that the money may never be repaid. Whatever arrangements have been made to repay the debt may be cancelled. Even horrorers with the best intentions may find it impossible to raise the money.

Against this most obvious hazard of lending, assume the worst. Never lend so much that you put your own

security in jeopardy. Take another precaution too: no matter how well disposed to each other debtor and creditor may be, put any lending arrangement in writing, and give receipts when money is received.

The receipt can be quite simple, the name of lender and borrower, the amount and purpose of the loan, (to pay off other debts; buy a house, car, stock, equipment etc) the instalment paid, and the amount now outstanding at the date of the receipt. Use a small duplicate book with numbered pages. Keep the

book and hand out the duplicate receipt.

This action will save you from other dangers which sometimes beset the lender. In certain circumstances it can also prove tax efficient, giving you tax relief on any capital gains that you may make.

The second hazard which a written arrangement overcomes is the possibility of family quarrels. These may arise in the course of time about who had what and who did or did not repay what. The written arrangement shows what was lent, for what purpose, how much was repaid, and will also ease the job of an executor, even if you have (or have not) made a will.

A third hazard of lending is that the money lent may not be used as you intended. Rich philanthropists control trusts to ensure that their donations go where they want them to. There are sound reasons for this. Take a leaf from their book. If for example, your debtor uses your loan to buy not the equipment for which you lent the money,

but, say, a share, and receives a 10 per cent dividend, that is technically your income and you are liable for income tax on it.

The fourth point to notice when making a private loan, is more uplifting. When you lend or act as guarantor for a loan to somebody who is broke, and there is no hope of ever getting repaid, your unlikely saviour could be the Inland Revenue.

Section D36 of its booklet Extra Statutory Concessions states that in certain circumstances a loss may be claimed where money lent to a person carrying on a trade, profession or vocation has become irrecoverable. Though the claim usually arises from the date of the loss, it can be made up to two years afterwards.

Lending to family or friends is, generally speaking, a private arrangement of no interest or concern to anybody else. But if any eventual difficulty arises, a written agreement does show evidence of intention, even if nothing else, and may help the lender get tax relief on any capital gains elsewhere that he or she may make.

## CGT allowances for August

THE TABLE shows capital gains tax allowances for assets sold in August. Multiply the original cost of the asset by the figure shown for the month in which you bought it. Subtract the results from the proceeds of your sale; the balance will be your taxable gain or loss. Suppose that you bought shares for £5,000 in September 1985 and sold them

in August 1993 for £13,000. Multiplying the original cost by the September 1985 figure of 1.481 gives a total of £7,405. Subtracting that from £13,000 gives a capital gain of £5,595, which is below the 1993-94 CGT allowance of £5,800. If you are selling shares bought before April 6 1982, you should use the March 1982 figure. The RPI in August was 141.3.

CGT INDEXATION ALLOWANCES: AUGUST						
Month	1982	1983	1984	1985	1986	1987
January	-	1.710	1.627	1.549	1.468	1.413
February	-	1.703	1.620	1.537	1.463	1.407
March	1.779	1.700	1.615	1.523	1.441	1.405
April	1.744	1.676	1.594	1.491	1.447	1.388
May	1.731	1.669	1.568	1.484	1.444	1.387
June	1.726	1.666	1.564	1.481	1.445	1.387
July	1.728	1.657	1.566	1.484	1.449	1.388
August	1.725	1.649	1.571	1.480	1.444	1.384
September	1.728	1.642	1.568	1.481	1.437	1.380
October	1.718	1.636	1.558	1.478	1.435	1.373
November	1.709	1.630	1.554	1.473	1.423	1.367
December	1.713	1.626	1.555	1.471	1.418	1.366

Month	1988	1989	1990	1991	1992	1993
January	1.368	1.273	1.182	1.085	1.042	1.026
February	1.363	1.264	1.176	1.079	1.037	1.018
March	1.357	1.258	1.164	1.075	1.034	1.014
April	1.336	1.236	1.129	1.062	1.018	1.005
May	1.331	1.229	1.120	1.058	1.014	1.001
June	1.326	1.224	1.115	1.054	1.014	1.002
July	1.324	1.223	1.114	1.056	1.018	1.004
August	1.310	1.220	1.103	1.054	1.017	-
September	1.304	1.212	1.093	1.050	1.014	-
October	1.290	1.203	1.084	1.046	1.010	-
November	1.285	1.192	1.087	1.042	1.011	-
December	1.281	1.189	1.088	1.041	1.015	-

Source: Inland Revenue

**THE PROSPECT:**

**12% INCOME OR**

**8% PREDETERMINED**

**CAPITAL GROWTH.**

**THE PROSPECTUS:**

**CALL 0800 289 336 NOW.**

The Gartmore Shared Equity Trust is a new investment trust with two classes of share.

One offers a 12% gross annual yield with scope for capital appreciation until April 30th 2002, the other offers predetermined capital growth, at an annualised rate of 8%, if you hold your shares until that date.

The offer closes on October 14th. So, for a prospectus and an application form, call free of charge on 0800 289 336 without delay.

**Gartmore**

INVESTMENT TRUSTS

The Directors of the Gartmore Shared Equity Trust (GSEST) accept responsibility for the information contained in this advertisement and in the prospectus. They warrant that the information is true and correct and that they have taken all reasonable care to ensure that such is the case. The information contained in this advertisement is to be read in conjunction with the prospectus and should not be relied upon as a basis for investment decisions. Please note that the value of investments and income from them can fall as well as rise and you may not get back the amount invested.

**1% PACIFIC BASIN EQUITY PERFORMANCE**

**ASEAN FUND**

**+108%**

**OVER ONE YEAR**

**GOOD ABOVE AVERAGE PERFORMANCE**

Buoyant equity markets around the world are being led by Pacific Basin markets. Guinness Flight offers a number of high performance funds in this exciting region. Earlier this year, we made a special offer on our Hong Kong Fund, and investors who took advantage of this at the start of the offer period have already seen a worthwhile return. Now we have decided to make a special offer on our ASEAN FUND.

The ASEAN FUND, launched in 1990, has achieved a performance of 159%\* over the 2 years 9 months since launch, and 108%\* over the last year. These performances are satisfactorily above the average for other Pacific Basin funds (ex Japan) in the sector over these periods, as measured by Micropal.

**ASEAN FUND: +159% since launch**

**Pacific Basin Growth Prospects.**

The rise in the value of the Pacific Basin markets, and especially those of South East Asia in which the ASEAN FUND invests, has been fuelled by high rates of growth in the underlying economies. This region is also the prime beneficiary of growth in China, the world's most exciting emerging economy, which lies right on its doorstep. The strong real GDP growth in South East Asia, over the last 5 years, is illustrated in the table below.

High ongoing economic growth is supported by a continuing flow of foreign investment which is rapidly expanding their manufacturing base. It is also supported by substantial government funded infrastructure programmes.

The population of the 5 major ASEAN economies is over 300 million, while their per capita income is, on average, below 10% of that in the United States. We foresee at least two more decades of high growth as these countries raise their standard of living towards that of Europe and the USA.

**A POWERFUL PATTERN OF GROWTH.**

	1989	1990	1991	1992	1993 est	Average
Philippines	6.1	2.7	-0.7	0.0	2.8	2.2
Indonesia	7.5	7.1	6.6	5.9	6.3	6.7
Singapore	9.2	8.3	8.7	8.8	8.8	7.2
Malaysia	9.2	8.7	8.7	8.0	8.0	8.7
Thailand	12.9	10.0	8.2	7.5	7.8	9.1
ASEAN	8.3	7.2	6.3	6.1	6.2	7.7

Source: Asia Equity, Detachment and Goldman Sachs. Real GDP% growth year on year.

**Special Offer.**

Guinness Flight is offering a special 1% bonus discount to investors who make an investment in the ASEAN FUND before 29th October 1993.

**Further Information.**

The Guinness Flight ASEAN FUND is a share class of the Guinness Flight Global Strategy Fund Limited, one of the largest open-ended investment companies (over \$760 million in size) incorporated in Guernsey. For further details about the fund and full details of the special offer call Jamie Kilpatrick or Andre Le Prevost on 0481 712176, or complete and return the coupon below.

**GUINNESS FLIGHT**

**ASEAN FUND**

**APPLY FOR DISCOUNT NOW**

Return to: Guinness Flight Fund Managers (Guernsey) Limited, PO Box 250, Guernsey GY1 3QH. Tel: 0481 712176. Fax: 0481 712185. Please send me details of the Guinness Flight ASEAN FUND.

Title \_\_\_\_\_ Initials \_\_\_\_\_ Name \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

\* Source: Micropal. All figures offer to offer, gross income reinvested to 1.9.93 in Sterling. Launch date: 28.11.90. The fund is a Guernsey A1 Authorised Collective Investment Scheme and UK Recognised Collective Investment Scheme under Section 87 of the UK Financial Services Act 1986. Past performance is not necessarily a guide to the future. The value of this investment and the income arising from it may go down as well as up and is not guaranteed. Issued by Guinness Flight Global Asset Management Limited, a member of IMRO and Lantoro. Minimum investment: £5,000/US \$10,000.

157/93



**HTR**  
HENDERSON  
TOUCHE REMNANT

announce the launch of a new investment trust

**HTR Japanese  
Smaller Companies Trust PLC**



The Henderson Administration group has an outstanding investment management record in Japanese smaller companies. We believe that NOW is the time to invest in Japan

and that smaller companies should deliver the best results.

**FIND OUT WHY.**  
Register now for a mini prospectus and application form.

27th SEPTEMBER OFFER OPENS ■ **NEW ISSUE** ■ 14th OCTOBER OFFER CLOSES

To register for a mini prospectus

CALL FREE ON 0800 106106

Henderson Touche Remnant are Britain's leading investment trust managers, formed in 1992 from the merger of Henderson & Co. and Touche Remnant. The Henderson & Co. group has a long and distinguished record in the management of investment trusts. The Henderson & Co. group has a long and distinguished record in the management of investment trusts. The Henderson & Co. group has a long and distinguished record in the management of investment trusts.

Please send me a mini prospectus and an application form for the HTR Japanese Smaller Companies Trust PLC.

Title \_\_\_\_\_ Initial(s) \_\_\_\_\_ Surname \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_

**New Media Markets**

New Media Markets is the definitive publication on the European new media business - providing in-depth news, analysis and market information on cable and satellite television, terrestrial broadcasting, cable telephony, new technologies and what's going on in other new media in the UK and Europe.

Whatever your involvement in the cable, satellite and new media industries, *New Media Markets* will keep you in the picture. We believe you will find it an indispensable aid to your business.

For further details and a FREE sample copy please contact:  
Caroline Skirrow, Financial Times Newsletters,  
126 Jermyn St, London, SW1Y 4UJ, UK.  
Tel: +44 (0)71 411 4414. Fax: +44 (0)71 411 4415.

FINANCIAL TIMES NEWSLETTERS

(AVAILABLE ONLY ON SUBSCRIPTION)

**ASIA**

CRADLE OF THE HUMAN RACE  
BIRTHPLACE OF A MILLION  
BUSINESS OPPORTUNITIES

**SAVE & PROSPER  
ASIAN SMALLER COMPANIES FUND**

Asia is generally regarded as the cradle of the human race. It has always been a dynamic region changing its shape and character constantly with a strong entrepreneurial spirit. Today Asia is the fastest growing economic region in the world. In 1994, for example, most Asian economies are predicted to grow by between 5% and 8% compared with rates of only 1% to 3% in the West.

Save & Prosper's new Asian Smaller Companies Fund was launched in August this year to offer investors the opportunity to benefit from the enormous potential of the region through smaller companies quoted or trading in Asia.

**Why Smaller Companies?**

Smaller companies tend to operate in expanding, specialist areas of the economy, offering high growth and profitability. And, of course, because they start from a smaller base they tend to grow market share, sales and profits more quickly than large companies.

**Why Asia?**

Asia has a vast potential. And although it is economically diverse, it is united by a strong culture of hard work and high savings. Japan, the most developed economy in the region, enjoys a higher income per head than the UK, and the four "Asian Tigers" Hong Kong, Korea, Singapore and Taiwan are catching up fast.

**Save & Prosper and Flemings**

Save & Prosper is part of Flemings, one of the UK's leading merchant banks, who currently manages over \$36 billion for investors worldwide. Flemings' associate company, Jardine Fleming, is the leading international investment management group in the Far East with \$9 billion under management. Jardine Fleming has unrivalled experience and expertise in the region currently employing over 1,000 people in 15 Asian countries.

**Take This Opportunity - Invest Now**

Save & Prosper's new Asian Smaller Companies Fund offers you the chance to invest in the vital and vibrant smaller businesses of Asia, and you can invest from as little as \$1,000.

To take advantage, talk to your financial adviser, just post the coupon or ring our free Moneyline.

**CALL FREE 0800 282 101**  
9.00 a.m. - 5.30 p.m. 7 DAYS A WEEK

To: Save & Prosper Securities Limited, FREEPOST, Romford RM1 1BR.  
Please send me details of Save & Prosper's Asian Smaller Companies Fund.

Surname \_\_\_\_\_ Forenames \_\_\_\_\_

Mr/Mrs/Miss \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Home Tel (STD) \_\_\_\_\_ No Work Tel (STD) \_\_\_\_\_ No

So that we may call and offer further information.

THE PRICE OF UNITS, AND ANY INCOME FROM THEM, CAN GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE FULL AMOUNT YOU INVESTED. INVESTORS SHOULD BE AWARE THAT THE MARKETS IN WHICH THIS FUND CAN INVEST CAN BE HIGHLY VOLATILE. EXCHANGE RATES MAY ALSO CAUSE THE VALUE OF UNDERLYING OVERSEAS INVESTMENTS TO GO DOWN OR UP. SAVE & PROSPER GROUP LTD IS A MEMBER OF IWC AND LAUTRO.

**SAVE & PROSPER**  
THE INVESTMENT HOUSE

## FINANCE AND THE FAMILY

## Show pensioners real values

Eric Short urges Lautro to make pension illustrations show more meaningful figures

FROM THE beginning of November, life companies will have to show pension illustrations on two new investment return assumptions - 6 per cent and 12 per cent, instead of the present 8.5 per cent and 13 per cent.

This change corrects one defect in the present illustration basis - that the rates shown are too high. Many traditional life companies are paying less than 8.5 per cent on their unutilised with-profit contracts. But Lautro has failed to remedy other defects in the illustrations, in particular to indicate the real (inflation-adjusted) value of pension benefits as well as the money value.

The general purpose of illustrating the benefits on life contracts is to provide the investor with some indication of the benefits provided. This means the calculations must be realistic and the illustration must be in a form that portrays the real value of those benefits.

Low cost endowments used to repay a mortgage are used to repay a liability which does not increase with inflation. So it is justified for the illustration to show the benefits in money terms.

But pension contracts are real assets, because pension benefits need to rise with inflation in order for beneficiaries to use them to buy goods and services after retirement. Accordingly, illustrations should show not only the monetary value of pension benefits, but also their value in real terms. The Lautro illustration basis does not do this.

Lautro is on the right lines in its illustration basis for appropriate personal pensions (used to contract-out of Seps). The contribution, less expenses, is accumulated at two different real rates of return - 0.5 per cent and 2.5 per cent. The pension thus illustrated relates to current money values and gives a realistic picture.

There are disadvantages. First, the real rate shown is the difference between the investment return and earnings growth, whereas the general understanding of real rates of return is the difference

## PERSONAL PENSION ILLUSTRATIONS: Example A.

Man aged 40, wife three years younger. Current earnings £20,000. Benefits at 65

Level contributions of £1,000. 5 per cent of current earnings.

Investment growth rate

8.5% 13% 6% 12%

£ £ £ £

Cash fund at 65 72,800 143,000 51,000 122,000

Level pension on his life only 8,180 18,100 4,860 15,500

or Max tax free cash plus reduced annual pension 18,200 35,800 12,700 30,700

6,140 13,500 3,500 11,800

OR

Initial annual pension increasing at 5% a year with 50% widows' pension 4,620 10,800 2,350 8,330

or Max tax free cash plus reduced annual pension 18,200 35,800 12,700 30,700

3,470 8,150 1,760 7,000

Discounted rate of the full level pension to present day

Discount rate (Lautro assumed RPI) 4% 10% 1.5% 7.5%

Discounted pension value 3,068 1,670 3,212 2,542

As a %age of current earnings 15.3 8.4 16.1 12.7

Lautro illustrations provided by Scottish Life. The further figures shown in italics were calculated by the author.

## Example B

Initial annual contribution of £1,000 increasing each year in line with Lautro's average earnings growth assumptions

Investment growth rate

8.5% 13% 6% 12%

£ £ £ £

Annual earnings growth rate 5.5% 10% 3% 9%

Cash fund at 65 121,000 328,000 68,000 263,000

Level annual pension on his life only 13,500 41,200 6,270 33,300

or Max tax free cash and reduced annual pension 30,200 81,500 17,100 65,900

10,100 30,900 4,700 25,000

OR

Initial annual pension increasing at 5% a year with 50% widow's pension 7,670 24,700 3,170 20,000

or Max tax free cash plus reduced annual pension 30,200 81,500 17,100 65,900

5,750 18,500 2,370 15,000

Value of the initial increasing pension with widow's pension as a %age of estimated earnings at 65 (Lautro assumptions)

Growth rate 5.5% 10% 3% 9%

Estimated earnings Pension as a %age of estimated earnings 76,200 216,700 41,900 172,400

10.1% 11.4% 7.6% 11.6%

Lautro illustrations provided by Scottish Life. The further figures shown in italics were calculated by the author.

between the investment return and price inflation.

The second disadvantage is that such a picture is not easily understood by the layman. It is more likely to be understood if the illustration showed separately the money growth in the contributions and the increase in earnings to retirement and expressed the money pension as a percentage of earnings at retirement.

However, with ordinary personal pensions, the illustration simply shows the accumulated value of the contributions, less expenses, as a cash sum, using two separate rates of investment return. The objective is to give some indication of the variation in benefits with different returns. The illustration then shows the annuity bought

with that cash sum.

Thus the benefits are shown in money values at the time they will be taken; there is no requirement to show the real value. The illustration is accompanied by an inflation statement and the individual is left to do his own adjustment.

The effect is shown in the tables, which indicate that the new investment rates produce more realistic cash sums than the present rates. Indeed, even on the new rates, the benefits look adequate compared with the individual's earnings. But even if life companies wanted to adjust for inflation, they are not permitted to do so. I therefore had to make my own calculations, shown in italics.

In table A, I took the pension and discounted the value back to the present using the Lautro

price inflation assumptions - the method used by following the instructions on the Inflation Statement. Using this method, the benefits are shown to be inadequate.

Second, the choice of contribution rate and type of annuity quoted is left to the individual and his adviser. Most illustrations are prepared on a level contribution basis and a level single life annuity, thereby presenting a false picture - compare table A with B and the level single life annuity with the increasing annuity plus spouse's pension.

The investor should have a realistic picture of the contributions needed to provide an adequate pension - whether he

pays them or not is another matter. At least, he would know what he is doing, and not be lulled into a false sense of security.

My idea of the minimum information which should be provided is shown in table B - an increasing contribution with two types of annuity.

The adjustment for real values in B is my preferred method - showing money values of benefits at the time of retirement and comparing them with estimated earnings growth. This is what happens in real life. If Lautro's assumptions are fulfilled, these are the amounts that will be paid in money terms and as a percentage of earnings.

## Can BES offset my gains?

I AM embarrassed by considerable capital gains which must be realised within the next two tax years and which will exceed, by a large amount, my annual allowance.

If I take gains which, when added to my taxable income, take me into the 40 per cent tax bracket, can these be offset against a Business Expansion Scheme investment, or can BES's only be used to offset tax against income as opposed to capital gains?

BES relief is an income tax relief, and is treated like your personal allowance, as you will see from the free pamphlet IR51 (Business Expansion Scheme) which is obtainable from your tax office. To the extent that BES relief reduced your total income below the basic-rate limit, of course, it would indirectly reduce the rate of CGT on part of your capital gains.

The BES is to be abolished at the end of this calendar year, so it could not have helped you for 1994/95 and 1995/96 in any case.

## Dividends and tax allowances

I READ in a recent *Financial Times* article that the first slice of dividend income is covered by personal allowances. As there are three types of income and three rate bands it appears that allowances cannot simply be deducted from the total gross income. Can you confirm that the allowances are set against the type of income carrying the highest rate band first - excluding chargeable capital gains? Also, are capital gains used to determine whether an allowance should be reduced?

1) Yes, your allowances are set primarily against your non-dividend income.

2) Capital gains do not affect your entitlement to an allowance.

The Inland Revenue did try to restrict age relief by taking capital gains into account at one time, but admitted that this was unlawful in the 1970s.

## Dividends and tax credits

MY WIFE'S income, which is well up into the basic rate band, stems predominantly from UK dividends with their associated tax credit. From her income she makes covenant payments to charities well above the small interest element in her income which has borne tax at the basic rate.

Your recent article stated that basic rate taxpayers have no further liability on dividend income "because the legislation provides that, within the basic rate band, the rate of

tax applying to dividends is only 30 per cent, not 25 per cent."

Does this also mean that dividend income in these circumstances covers the requirement that covenanted charitable payments have to be paid from tax income? Or will the Revenue be entitled to recover the difference of 5 per cent through my wife's assessments? If so, it seems to me that there are implications, not publicised to my knowledge, for a great many taxpayers.

Unfortunately, there will be a drawback of 5 per cent, to the extent that the gross amount of the covenanted charitable annuities exceeds the gross amount of your wife's non-dividend income. This result is achieved by section 207A(1) of the Income and Corporation Taxes Act 1988 in conjunction with section 3(a).

Q&A  
BRIEF CASE

No legal responsibility can be accepted by the Financial Times for the answers given to these queries. All enquiries will be answered by post as soon as possible.

## HIGHEST RATES FOR YOUR MONEY

Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
<b>INSTANT ACCESS A/cs</b>					
Birmingham Midshires BS	0802 302080	Postal	£500	8.75%	Yy
Bristol & West BS	0800 100117	Postal	£10,000	7.00%	Yy
			£25,000	7.15%	Yy
			£50,000	7.25%	Yy
<b>NOTICE A/cs and BONDS</b>					
City & Metropolitan BS	081 464 0814	Super 60	£10,000	7.35%	Yy
Scotish Widely 9	0723 308125	90 Day	£25,000	7.55%	Yy
Universal BS	081 222 0873	1 Year	£50,000	8.35% <sup>1</sup>	Yy
Cheltenham BS	0800 272505	Base Rate Plus	£5,000	8.00% <sup>1</sup>	Yy
<b>MONTHLY INTEREST</b>					
Birmingham Midshires BS	0802 302080	First Class	£500	8.27%	My
Barnaby BS	0336 368115	Postal	£5,000	6.45%	My
Bristol & West BS	0800 100117	30 Day	£25,000	7.55%	Yy
Cheltenham BS	0800 272505	21.95	£5,000	7.75% <sup>1</sup>	My
<b>TESSAs (Tax Free)</b>					
Hindley & Raby BS	0455 251234	5 Year	£25	8.05%	Yy
Saint Patrick BS	071 784 2331	5 Year	£10	8.00%	Yy
Durham BS	0383 721521	5 Year	£3,000	8.00%	Yy
National Counties BS	0372 738702	5 Year	£5,000	7.90%	Yy
<b>HIGH INTEREST CHEQUE A/cs (Gross)</b>					
Calderbank BS	HICA	Instant	£1	5.50%	Yy
Cheltenham BS	031 556 8235	Instant	£2,500	5.85%	Yy
	0800 717515	Instant	£25,000	6.85%	Yy
		Instant	£50,000	6.95%	Yy
<b>OFFSHORE ACCOUNTS (Gross)</b>					
Woodwick Gurney BS	0481 716735	Instant	£500	6.25%	Yy
Confederation Bank Jersey	0334 808080	90 Day	£10,000	6.75%	Yy
Derbyshire (Q&A) Ltd	0824 884346	90 Day	£50,000	7.20%	Yy
Yorkshire Gurney Ltd	0481 710150	Key Term	£1,000	6.70% <sup>1</sup>	Yy
<b>GUARANTEED INCOME BONDS (Net)</b>					
Prosperity Life FN	0800 521546	1 Year	£15,000	4.70%	Yy
Consolidated Life FN	081 940 8343	2 Year	£2,000	5.25%	Yy
Prosperity Life FN	0800 521546	3 Year	£25,000	5.70%	Yy
Consolidated Life FN	081 940 8343	4 Year	£2,000	6.10%	Yy
Consolidated Life FN	081 940 8343	5 Year	£2,000	6.25%	Yy
<b>NATIONAL SAVINGS A/cs &amp; BONDS (Gross)</b>					
Investment A/C		1 Month	£20	6.25% <sup>1</sup>	Yy
Income Bonds		3 Month	£2,000	7.00% <sup>1</sup>	My
Capital Bonds G		5 Year	£100	7.75% <sup>1</sup>	OM
First Option Bond		12 Month	£1,000	6.34% <sup>1</sup>	Yy
<b>NAT SAVINGS CERTIFICATES (Tax Free)</b>					
40th Issue		5 Year	£100	5.75% <sup>1</sup>	OM
6th Index Linked		5 Year	£100	5.25%	OM
Childrens Bond E		5 Year	£25	7.85% <sup>1</sup>	OM

This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity, N = Net Rate. A = Rate guaranteed until 1.11.93. B = Rate guaranteed to be at least 2% above base rate (Min 8%) until 2.1.94 and then 1% above base until maturity. E = Rate guaranteed until 1.12.93. G = 6.5 per cent on balances of £25,000 and over. H = 7.25 per cent on balances of £25,000 and over. I = 6.74% on balances of £20,000 and over. J = 6.74% on balances of £20,000 and over. Readers can obtain a complimentary copy by phoning 0882 500677.

Free Banking is good for business  
What is it worth?

Allied Trust Bank's High Interest Business Cheque Account offers:

**FREE BANKING**

- Sixty transactions each month free, with no monthly charges.
- Compared to your existing bank charges, you could make a minimum saving of £200 each year.

**HIGH INTEREST: 5.5% GROSS p.a.**

- On the entire balance, provided an initial deposit of £2,001 is maintained.
- INSTANT ACCESS
- By cheque book, standing order and direct debit.

Interest is paid gross to companies, net of basic rate tax to sole traders and partnerships. Interest rates may vary.

Available to companies, sole traders, partnerships and professional firms. For full details call Jayne Stuart on 071-283 9111 Monday to Friday or 071-626 0879 (24 hour answerphone)

**ALLIED TRUST BANK**



## MINDING HIS OWN BUSINESS

## Mr 5 per cent between China and the world

**S**HAUL Eisenberg, the reclusive Israeli billionaire, is holding forth in his private jet high above the neat, patchwork fields of the Chinese countryside. "Never show off, be humble," he advises. "And if you become big, be even more humble."

Asked the secret of making money, he is characteristically to the point: "A good supplier and a good buyer, and remember the buyer is always king."

So it is that Eisenberg, at 72 and with one heart by-pass operation behind him, travels the world in his private Boeing 727, stitching up deals, stroking foreign potentates, and accumulating vast sums of money.

He is not prepared to say just how wealthy he is beyond referring to the latest *Fortune* survey of the world's billionaires which estimates his net worth at \$1.3bn, in the same company as the Dassaults of Mirage aircraft fame, William Hewlett of Hewlett Packard and Kanichiro Ishibashi of Bridgestone tires.

By most standards Eisenberg, a heavy-set man with a lugubrious manner, has made it; and yet he remains a mysterious figure operating in the nether world of behind-the-scenes wheeling and dealing, shielded from public view by a coterie of Israeli assistants. China, in its explosive new economic phase, is his domain.

He rarely talks to the media and when he does he has proved extremely guarded about his business interests, his family and his past. This has invited all manner of speculation and the odd unfavourable notice such as a 1987 article in *Forbes* which said: "his story reads like *The Merchant of Venice* bizarrely grafted on to TV's Dallas, then transmogrified into some Far Eastern potboiler by James Clavell."

Mention of the *Forbes* article with its accusations that he has not always been scrupulous in dealings with Asian leaders pains Eisenberg who dismisses the piece as "anti-semitic", and adds: "To think it was written by a Jew."

Eisenberg's motives in talking to the *Financial Times*, and inviting its correspondent to travel on his jet are not altogether clear. It may have something to do with a successful man's desire to tell his story in the twilight of his career.

It may also derive from a calculation that a more public stance, now that Israel and China have normalised relations, will help his business interests in China. These include direct investments in glass-making in Shanghai, a computer disc-drive venture in Harbin, and a proposed potash plant in far-west Qinghai province. These investments mark a switch in strategy from "5 per cent middleman" supplying equipment to investor in projects in his own right.

Eisenberg's Panama-registered United Development Incorporated is also one of the biggest foreign traders in China, dealing in everything from pig-iron and power plants to Disney comics.

Eisenberg likes to say that in these straitened times in China - credit is being squeezed across the board - he has found a way to finance deals which give him an edge over competitors. But he is cagey about details. "It is my patent," he says of financing arrangements which rely heavily on his skills as a barter trader.

Seated in his converted jet surrounded by his lieutenants, including a retired brigadier-general of the Israeli Air Force, Eisenberg is en route from Beijing to Nanjing, the capital of Jiangsu province, where he is

Eisenberg's escape from Nazi Germany to Shanghai by way of the Netherlands with just 20 Guilders in his pocket reveals an early penchant for deal-making, and was a pointer to his later vocation as a middleman.

Two weeks after he boarded the ship, the Netherlands fell to the Germans and the Guilders became worthless. Good fortune smiled, however. Eisenberg discovered that the pursuer would not dirty his hands dealing directly with a hold full of Chinese seamen who had been rescued from a sunken vessel, so he became a go-between trading cigarettes and spirits. By the end of the voyage he had accumulated \$500, a considerable sum in those days.

Eisenberg joined his parents

UDI manager.

UDI's China business has come a long way since Eisenberg arrived in Peking on Christmas eve, 1978, to explore opportunities in a country cautiously opening to the outside world. Today, he has more than a dozen offices around China, 150 employees, and a billion-dollar trading turnover which includes a large barter business.

Eisenberg directs operations from a plush suite of offices on the 35th floor of Beijing's China World Tower. He shouts orders from his office to assistants who drift in and out to report progress on deals. This is not the hush-hush world of high corporate endeavour, but a trading post juggling a thousand and one business opportunities.

Of his sometimes fractious relations with his staff, Eisenberg says: "Let's say I'm a tough character, but I'm only tough if I see someone making mistakes. I don't like mistakes. If they make mistakes they have to be told, or even thrown out."

On one issue, Eisenberg is particularly sensitive, and that is the question of Israeli arms sales to China. "People think I am an arms dealer," he says. "But I only did it for Israel. I hate the military business, and I don't do it in other countries. In any case, it's only small business between China and Israel. We did not give them hardware, only know-how."

Independent sources say the relationship was more extensive, possibly running into hundreds of millions of dollars in the past decade. According to a Rand Corporation study in 1991, Israel has helped China develop a surface-to-air missile, an intermediate-range missile, an air-to-air missile, advanced armour technology for tanks and an airborne early warning system, among other items.



While, Eisenberg spends more than half his time roaming the world, "cooking" deals his home base has been firmly in Israel since the mid 1970s when the Israeli Knesset, passed what became known as the "Eisenberg law". This was drafted with Eisenberg in mind to allow Israeli tycoons to operate from Israel without having to pay local tax on their worldwide earnings.

Israeli press reports indicate that life within the Eisenberg family - one son, five daughters and 19 grandchildren - has been fairly turbulent with the autocratic patriarch skirmishing with sons-in-law, who

had been drawn into and then abruptly left the family business. Relations with 42-year-old son Erwin have been tense on occasions. Eisenberg deflects questions about his household, but he does volunteer that at times he has given Erwin a "hard time" because "I don't believe in spoiling your kids."

Eisenberg's reputation in his own country is that of a fairly ruthless wheeler-dealer. A case in point was his intervention 18 months ago when the struggling Israeli aircraft industry planned to sell the Kfir copy of the Mirage to Taiwan - a deal which could have hurt his business activities in China. "I intervened very strongly," he said. "Taiwan is not a threat to Israel as China is." He would not have blamed Beijing, he said, if it had carried out a threat, conveyed privately, to supply arms to Syria for nothing, if the Kfir deal had gone ahead.

Eisenberg's connections brings some strange business propositions. He was recently approached by North Korea with a proposal that Israel provide \$200m to develop a gold mine. In return Pyongyang's would undertake not to supply nuclear technology to Iran or arms to Syria.

Eisenberg dismisses the proposal as "blackmail," but sensing there may be opportunities in North Korea, which cannot remain closed forever, has begun, tentatively, to do business there, placing an order for textiles.

Wherever he is in the world Eisenberg keeps in touch with his various businesses which include an aeroplane leasing company in the US and a trading house in South Africa.

"I know every week how much money we make and how much we spend," he says. "Before I go home for the weekend I want to know if I'm broke or if I am rich."

So where does Eisenberg, at an age when most tycoons have quietly retired to the golf course or to their country estates, go from here? Apart from China he has established a presence in central Asia and in the Russian Federation, although experience has taught him to be wary of those markets. He is also focusing attention on India which is undergoing a process of privatisation.

What of his ultimate goal in these twilight years? "I would like to think that one day I could do business with the Arabs," he says reflectively.

*Shaul Eisenberg, the secretive billionaire and middleman, invites Tony Walker on to his private jet for a glimpse of wheeling and dealing*

to be a guest of the governor, rather like a state visit.

Eisenberg's business style, learned from the Japanese in the post-war era, relies on cultivating friends in high places in country's such as South Korea and Taiwan which were the focus of his deal-making in the years before he targeted China in the late 1970s.

"I do only business with friends. If they are not friends I don't do business," Eisenberg likes to say. Among his more valuable "selling tools" is a well-thumbed photograph album which shows him pictured with various Chinese leaders, including State President Jiang Zemin when the latter was a relatively lowly official.

Eisenberg's jet lands in steamy Nanjing and is met on the tarmac by a senior provincial official. Eisenberg is swept away in a black stretch limousine preceded by police cars with flashing lights and sirens. His staff, all Israeli, apart from Filipino and Chinese secretaries, follows in a mini-bus.

At a lavish welcoming banquet which features hedgehog soup and glutinous dumplings, toasts are drunk to successful billion-dollar joint projects, including a bridge over the Yangtze and a toll-highway from Nanjing to Shanghai.

And so Eisenberg continues around China - from Nanjing to Nanning, capital of Guangxi, to Shanghai, and on to Jinan, capital of Shandong before returning to Beijing. It is an exhausting schedule in mid-summer in some of China's hottest regions and begs the question: why would a man of Eisenberg's age and wealth bother? "I like to cook (deals)," he says. "In any case, if I stop I would die!"

It was ever thus, it seems. The story of German-born

in Shanghai where his father had established himself as a vegetable oil seller.

The young Eisenberg then ventured to Japan. There he sold Chinese carpets during the war to wealthy Japanese and, after, to the US army, before moving on to deal in iron ore and scrap in the post-war period, learning from the Japanese business samurai in the process.

"I was friendly with Mitsui (Japanese trading company)," he recalls. "I learned a lot from them. They're good business people. They said they might have lost the war, but they wanted to win the economic war, and they planned it properly - like a war. In those days, there were a lot of military people in Japanese companies." Eisenberg himself has followed this formula. UDI is peppered with military types. He likes military-style efficiency... and people who are prepared to work long hours without complaining. A quick staff turnover is one of the features of the Eisenberg organisation.

Former employees, while they respect his prodigious energy and deal-making skills, are less complimentary about his abilities as a manager. "He expects 200 per cent from his employees, and he meddles in everything," said one. "We used to joke that if we wanted to change the colour of the toilet paper from white to pink Mr. Eisenberg would get involved in the decision. The problem is that he doesn't trust anybody."

A more serious observation is that UDI is virtually a "one man show" and that when Eisenberg passes from the scene the company will disappear with him. "The Eisenberg group of companies could have been a real empire, but it is a one man show," said a former

## INTERNATIONAL PROPERTY

**The Fielding Partnership**  
Estate Agents Chartered Surveyors

**COSTA DEL SOL**  
Villa/Apartment plots for sale.  
Complete Development close to La Duquesa Golf and Marina. SUPERB SEA VIEWS. Fully serviced with roads, comprising 118 Villa plots, 3 development sites for 265 units and commercial, 3 brand new villas and apartment. Circa. 170,000 m<sup>2</sup> (42 acres).  
Superb opportunity at Price: £1.6 million GBP Offshore owned.  
For information contact Marbella  
Tel: 010 345 282 7754 • Fax: 010 345 282 9754

**AUCTION SALE**  
From the "Notaires"  
Real Estate Market

**CHAMBRE DES NOTAIRES**  
12, av. Victoria 75001 Paris  
On Tuesday, October 19, 1993 at 2:30 P.M.

**PARIS 8° - "Triangle d'Or"**  
8 AVENUE MONTAIGNE  
3-room apartment about 148 sq.m., uncoupled, 3rd floor, maid's room.  
Starting price: FF 6,800,000. Visits on Sept. 29 and Oct. 9 from 10:00 to 12:30 A.M. and Oct. 4, 6, 12, 15 from 2:00 to 5:00 P.M.  
For further information, M. HUARD (1) 42.80.66.60

M<sup>e</sup> CORPECHOT Notary in PARIS, France

**PORTUGAL ALGARVE - LOULE** 4000 sq. metres of orchards with panoramic views over The Algarve with the benefit of an existing ruined cottage which can be extended. PRICE £40,500.00 Tel: 010-275-858551 Fax: 010-275-858690

**HOUSTON, TEXAS** Magnificent Spanish Villa. 5 bedrooms, 3 1/2 baths, formal great, library, game room, wine cellar, servant quarters, private garden, pool, cabana, US \$1,200,000. Tel: 713-484-4013

**JOHN C. VAUGHAN**  
ESTATE AGENTS & PROPERTY CONSULTANTS

**ST. JAMES'S SW1** - A one bedroom plus-a-term newly furnished and decorated in a prestige block on the third floor. £320 per week.

**WESTMINSTER SW3** - An unfurnished first floor flat with high ceilings and a magnificent 3rd double reception room. Overall accommodation measures approx. 175 sq. metres. £225 per week.

**CHelsea SW3** - An unfurnished 3 bedroom flat on the third floor in a red brick mansion block with high quality interiors and kitchen between the Thames and the Kings Road. £650 per week.

**KENSINGTON W8** - A ground and lower ground 3 bedroom maisonette in a Georgian converted building overlooking the Square gardens. N. Agent Robert Bruce & Piers 351-0770 £475 per week.

20 Berkeley Street, Berkeley Square, London W1X 5AE  
Telephone: 071-495 4623 • Facsimile: 071-355 4652

**SOUTH OF FRANCE**  
Nice airport 25 miles Casen 20 miles well-known country property of status. Quiet, in excellent order.  
3 recep, 6 bedrooms, 4 bathrooms, etc.  
Elegant garden, olive, cypress trees, tennis, solar heated pool with heated, approx. 4 acres  
FFm 12m  
Tel: 071 228 4532 Fax: 071 924 1786

**MODERN VILLA 180 SQ.M.** Superb view More Blanc, Divonne France 1600 sq.m. land 2 stores, dining area, designer kitchen, work room, 3 bedrooms with bathroom, 2 bathrooms, 2 WCs, garage, auto, carport. Rent £1100 for sale £1 2,500,000 Tel. Brokers c/o (25) 50200180

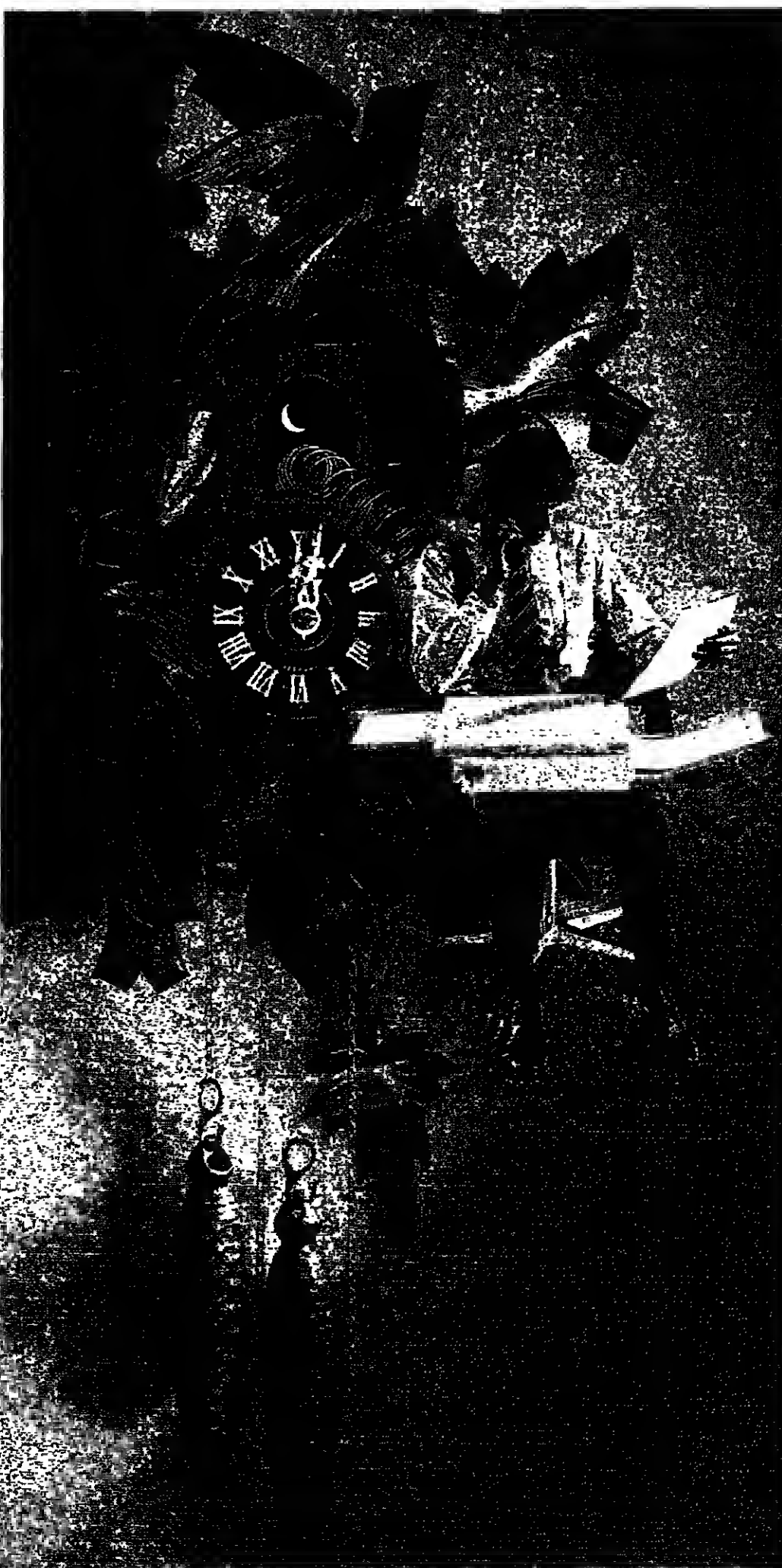
**COUNTRY PROPERTY**

**WILTSHIRE GREEN GABLES - CHIPPENHAM**  
A unique subdivision of an elegant town house standing in its own grounds forming four individual luxurious and spacious apartments. Bath - 11 miles M4 - 4 miles London Paddington - 55 miles  
From £69,500

**KAVANAGHS**  
Tel: 0225 706860  
Fax: 0225 790954

**16th Century Castle in rural Perthshire.** 5 recep, 4 beds, 2 bedrooms, studio, suite with kitchen and laundry, swimming pool, tennis court, walled garden, garageable block. 5 cottages, 72 acres. 12 mile from Perth and under an hour from Edinburgh. Offers over £250,000.  
Young Chartered Surveyors, Minor Street, Forth, Angus  
Tel: 0307 462516 Fax: 0307 460928

**MILTON KEYNES** Thatched detached 16th century cottage in village. 3 bed, 2 reception, 18 acre garden, greenhouse, shed, pool, etc. gas ch. Detached pp for extensions. £140,000. Tel: 0282 800888 (newspapers) for details.



## A CANON PERSONAL COPIER GIVES YOU COPIES AROUND THE CLOCK.

Unlike copy shops, the new Canon personal copiers are never closed for business. As the world's smallest and most portable A4 copiers, you can always keep one handy wherever your work takes you. Despite being 30% slimmer and lighter than previous models, they dwarf all others on performance. By using finer particles of toner, for example, they give copy quality equal to large office machines. Both models warm-up instantly. Both switch off automatically to save power. They're also virtually maintenance-free. Thanks to a unique replaceable cartridge which contains almost everything that runs out or wears out. And with minimal ozone emissions, these new mini copiers do less to wear out the environment too. Send for details or ring 0800 252223. You'd be cuckoo to hang around.



I would like: (PLEASE TICK)  
Literature ☐ Demonstration ☐

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
Post code \_\_\_\_\_ Telephone \_\_\_\_\_

Post to: Canon (UK) Ltd, FREEPOST, BM 1489, Birmingham B1 1BR  
One stamp required. Or phone: 0800 252223.

**Canon**  
PERSONAL COPIERS







## SPORT

Sailing/Keith Wheatley

## The Big Blue of the deep blue sea

THE Farr Hierarchy. It sounds like a third-rate historical novel set in Nepal. In fact, Bruce Farr is a shy New Zealand yacht designer. His hegemony is among the Whitbread Round the World Race fleet which leaves Southampton today. Three of the five 80ft maxi yachts are from Farr; all but two of the new W60 class are from his drawing board.

Statistics alone make it likely that a Farr yacht will win the 32,000-mile Whitbread race. Even the great Vin Stephens, patriarch of the New York firm Sparkman & Stephens, never achieved this kind of dominance in the sport.

Rival designers understandably chafe at the presumption that there is only one choice for a skipper who wants to win. Roh Humphreys, a top British designer, is responsible for the W60 entry Dolphin & Youth, points out that his boat gave the Farr-designed Winston a neck-and-neck match in the New York/Southampton race earlier in the summer.

The sport, he thinks, has an ethos like the one which once prevailed in the computer world is "No one ever got fired for buying IBM." To compete in big professional races such as the Whitbread requires millions of dollars in sponsorship. Large corporations may not know much about sailing, but for IBM read Farr.

His business, based in Annapolis, Maryland, employs just 12 people and 10 of them are yacht designers. Each year it

controls race boat projects worth nearly \$100m, a startling position for such a small business headed by a 44-year-old. Farr says he is uninterested in the money. "It is much more important to be the best in the world than the richest," he says emphatically.

One story says a lot about

**Farr's business employs just 12 people. Each year it handles projects worth \$100m**

Farr's style. In 1983 he was responsible for the New Zealand challenge for the America's Cup in a 130ft sloop. American skipper Dennis Conner responded with a rule-busting catamaran and the US kept the trophy after an ill-tempered Cup that featured more lawyers than sailors.

At a news conference after the race, a tired and emotional Conner insulted Farr in front of the world's media. But the icy Kiwi regained his self-control and the moment passed.

Fast forward five years to the current Whitbread race. Conner has the dollars of RJ Reynolds and its Winston cigarette brand at his disposal to give him the easily the best-funded campaign. Without hesitation Conner chooses Farr to design the boat.

In England recently Farr admitted that the two had not met, or even spoken about the project. Farr's people talk to Dennis's people. But the yacht

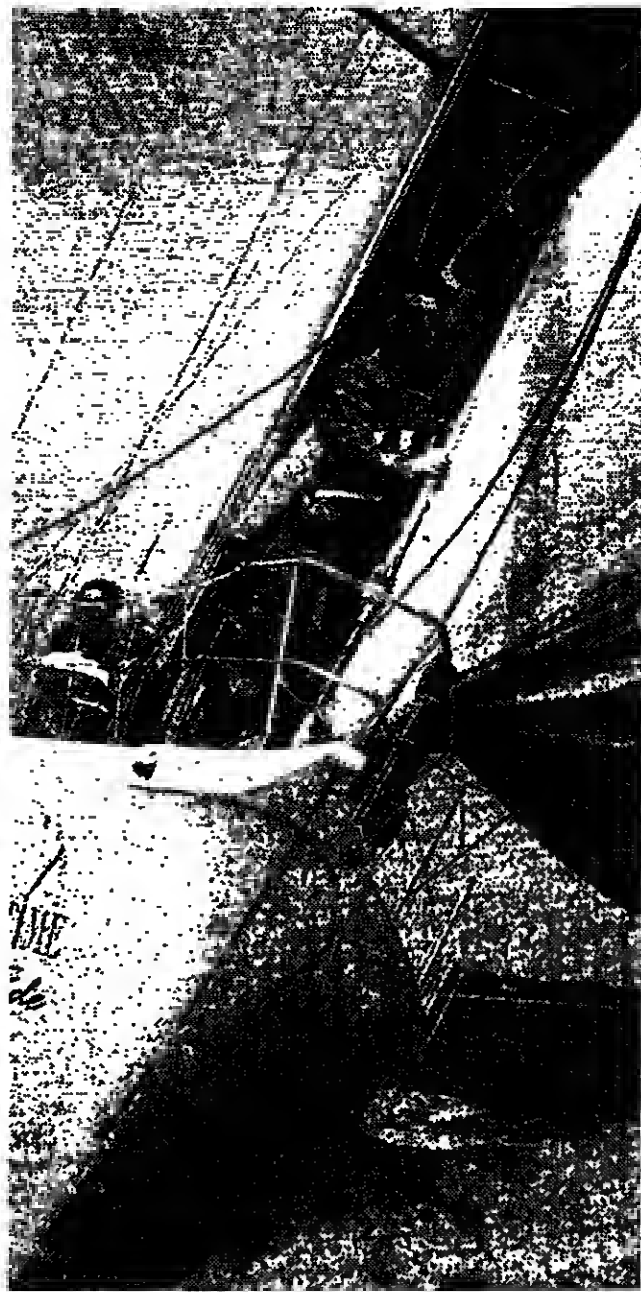
is real enough and is one of the favourites to win the race.

Bruce Farr is one of a generation of New Zealanders now at the top wherever one goes in world yachting. During the late 1970s his boats would continually break new ground within the design limits of the International Offshore Rule which covered most racing and win every prize in sight. The IOR would then attempt to close off a particular route, only for Farr to find another design avenue.

At that stage of his career it was probably the quality of his imagination that was unusual. What was to make Farr special was the willingness to channel the income that comes to a "hot" designer into endless generic R&D. Around 20 per cent of Farr Associates practice earnings is still spent, year in, year out, on pure research. He is the biggest customer of the Wolfson Unit at Southampton University, a tank-testing and wind-tunnel facility that is regarded as the world leader in hull and foil evaluation. The quality of the Farr computer Velocity Prediction Programmes is legendary.

Before deciding whether to build a maxi or a W60, Grant Dalton, skipper of New Zealand Endeavour, commissioned a \$50,000 study from Farr on which of the two classes would be fastest around the world. The VPP gave the bigger boats and advantage of perhaps half-day - probably statistically invalid, given weather variables - but Dalton had enough faith to commission a maxi.

Perhaps the most extraordinary thing is that when the Farr fleet sails today, for all



Dolphin & Youth, one of the few W60s not designed by Bruce Farr

the millions of dollars invested by bitter rivals, there will not be a single complaint that perhaps one client has had better service or benefitted from technology developed for another. Integrity comes with the Farr label. The "Chinese walls"

between one design and another are unbreakable. As the yachts leave on the 5,000-mile first leg dash to Uruguay, this race is probably already over for Farr. He is thinking about hulls and keels for the 1996 America's Cup.

Olympics

## Sydney's strategy

B EER bottles made impromptu batons as the victorious Sydney team conducted a roaring chorus of Advance Australia Fair, the national anthem. Elsewhere in Monte Carlo, the defeated licked their wounds. "There is no bronze medal in this Olympic race," said Walter Troger, a German member of the International Olympic Committee and supporter of Berlin's campaign to host the 2000 Olympics.

Whether the Beijing team, beaten at the final hurdle, were so phlegmatic is doubtful. "This whole process was so unlike the Chinese. They were virtually begging to be given something they desperately wanted," said one Hong Kong-based observer. "One can't calculate how they will handle the loss of face."

Sino-British relations, already at a low ebb over the Hong Kong issue, will now be seen from a new perspective by China. With just three candidates left, Manchester won 11 votes, Sydney 37 and Beijing 40, so Manchester was removed from the final ballot. Its supporters split 83 in favour of Sydney in the fourth and final vote to give Sydney a 45-43 victory.

"I think we gave the Australians more than just our votes," said Bob Scott, the Manchester bid chairman. "The emphasis and agenda of their bid followed very closely what we had learned and formulated during our campaign for the '96 Games."

Coincidentally, the two presentations to the IOC were consecutive and offered a highly traditional, athlete-centred view of the Games. The IOC's technical evaluation commission had already given Sydney's plans the highest rating of the five cities.

Beijing, in contrast, made no claims in its 55-minute presentation

to offer the best Games for 2000. The "pitch" was a simple proposition that the time had come to let the world's most populous nation emerge from the shadows of troubled modernisation and take centre stage.

The speech of Zhenliang He, a vice-president of the IOC and much-respected within Olympism, was a masterly encapsulation of the Chinese proposition. "My destiny is tightly entwined with my country. As a child and an adolescent I saw bitter times," said He who is

**Keith Wheatley was in Monaco to watch the intrigue behind the final Olympic vote**

64. "As an older man, I have seen China's reform and open-door policy provide my country and myself with new horizons. We believe that the Olympic Games are for all nations, not just for those that are highly sophisticated. Awarding this honour to a developing nation like ours would not only expand the horizon of the Olympics, but also assist us in our development process."

There seemed to be a certain melancholy abroad that the dream of a simpler, more frugal Games had drifted further out of reach. China's strong support from the 16 African IOC members had this element - as well as straightforward gratitude for an intense sports aid programme that had brought massive stadia to

Kenya and Zaïre, for example. "There is now so much technology necessary, so much investment, that although one cannot speak of China being Third World, there is an understanding," said General Zein Gadir, the Sudanese IOC member.

Certainly the IOC as an organisation is unashamedly delighted with the choice of Sydney. It provides a host city without political or economic risk and will stage a spectacular Games. Just as important from the IOC's perspective is that Sydney showed it possible to win the nomination with a scrupulously fair campaign.

"They played it 100 per cent straight from the outset. There was never the slightest complaint against them," said IOC information director Andrew Napier. Beijing, in contrast, played hardball. Government-to-government pressure related to the individual IOC member was the most frequent manifestation.

However, the IOC is thought to have warned the Beijing campaigners over the number of "facility trips" to China that some members were offered. Under recent rules forbidding excessive generosity, each member is rationed to one free inspection trip.

Already 70 per cent of the Sydney sports facilities are in place. Most of the catamaran ferries which will ply the harbour between the Homebush Park site of the Games and the city centre are in service. "We said to the IOC this week that if, for any reason, Atlanta fell down we could probably be ready in '96," said John Fahey, the premier of New South Wales.

Golf/Derek Lawrenson

## Ringside seats by an empty stage

FROM FIRST light on the Open's final day, spectators pack the grandstands that frame the 18th hole in anticipation of the drama to come. They are taking part in one of sport's rituals: the long wait that is so often necessary to reserve a seat for the action.

At the Open, at least they are more involved than most. The long hours can be spent watching members of the supporting cast, who, with one eye on aeroplane schedules, complete their rounds in the time it usually takes to play nine holes. They can applaud Jack Nicklaus into the sunset once more, or laugh at the huffoon who is past caring and has more money than he knows what to do with and takes four putts from 20 ft.

But is there anywhere else in sport where spectators pack the grandstand with no guarantee that they will see a single shot played? They used to

say that if they opened the gates on non-match days at Old Trafford, the people would still come and watch the grass grow.

This came to mind on Thursday when I joined the spectators as they parked themselves in the 18th grandstand at The Belfry even though nothing, absolutely nothing, was happening at the time on this hole in the Ryder Cup.

The players, on their practice rounds, were on the front nine, the cheers that heralded their deeds just within range of our ears.

"What are we doing here when all the action is out there?" I asked the young couple adjacent. "Have you been out there?" they asked. "And did you see any more of the action following the matches than we are seeing here?"

Their thesis was correct. The Ryder Cup is a unique event in many ways and one of them is that for two days at

least, just four holes out of 18 are in operation at any one time. The owners of the Belfry have spent hundreds of thousands of pounds creating natural spectating areas around most holes. But 25,000 people (the size of the sell-out crowd) into four holes just will not go.

The Ryder Cup, more than any other event in the sport, is based on atmosphere. People rely on scoreboards and whispers through the trees to discover what is going on. You might think the cognoscenti would stay at home and watch on television but the people in attendance here are not voyeurs of big-time sport. The true golfers prefer seeing a snatch in person than just as another TV event.

Yes, they spend large amounts of time doing and watching nothing, but there are rewards. The young couple, myself and all the others pleasantly passing the time on an idle Thursday morning, chatting about Manchester and the Olympics, Aston Villa's win over Birmingham, the clearing fog and Watson's wobbler over signing Sam Torrance's Gale Ball menu, witnessed a small exclusive.

Hours before the news was announced at the opening ceremony, we knew that the Americans, John Cook and Lee Janzen, would not play in the first morning's foursomes.

We knew this because while their colleagues were out on the golf course, away from our view, this pair suddenly came out and started practising their chipping in front of us on the home green. This was not done to keep us amused. No, when they had chipped and putted for a short while, we heard the news in a whisper from the pair to a confidante.

It was Cook, I think, who revealed: "No, we are not in there tomorrow morning." We digested the information and added it to our list of discussions. We thought about sharing it with the part-time grandstanders who came later.

Days spent by the 18th green of the Ryder Cup are rarely in vain. Later, we witnessed the opening ceremony. And tomorrow the young couple plan a dawn vigil to be sure of their seat for the final day's singles.

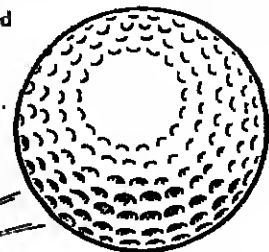
For while all the 12 matches could finish out in the country, the chances are that those that matter will be played out on this wonderful hole. Seven of the 12 went to the 18th four years ago and in all of them the hole was either won or lost and you can imagine the consequent pull on the emotions. That is why there will not be a spare seat anywhere by the time the players go down the first hole and begin a journey that will lead many of them back to a scene that is quite unmatched anywhere else.

## The Rules of Golf in Ireland No. 1.

## Turn up and tee off!

We've been playing golf in Ireland for over a century, so perhaps it's not surprising that we have over 250 beautiful links and parkland courses to test your skill. Many of the courses are of championship standard.

But you may be surprised how easy it is to get on the course of your choice. Usually, you just turn up and tee off. The green fees will be a welcome surprise too.



To find out more about Golf in Ireland and our special Ladies Golf Breaks (club membership not essential) please phone 071-493 3201 (24 hrs) or write to Golf '93, The Irish Tourist Board, P.O. Box 46, Hattislow TW4 6NF.



FINANCIAL TIMES  
LONDON • PARIS • NEW YORK • SYDNEY

**WHITBREAD  
ROUND THE  
WORLD RACE**  
For regular news and  
race stage updates  
**CALL**  
**0891 900 976**  
Calls cost 36p/min. cheap rates,  
48p/min at all other times.  
A Product of TUM Ltd.

**BROKE HILL, G.C.  
BROMLEY**

**GOLF**

MEMBERSHIPS  
AVAILABLE  
TEL: 0959 533225

OMEGA, OFFICIAL TIMEKEEPER  
OF TWENTY-ONE OLYMPIC GAMES,  
CONGRATULATES  
SYDNEY  
HOST OF THE 2000 OLYMPICS\*

\* Games of the XXVIII Olympiad of the year 2000

**THE LINK BETWEEN THE PAST AND THE FUTURE**

THE OLYMPIC CROSS  
OF MERIT, AWARDED  
TO OMEGA AT THE  
1952 OLYMPIC GAMES  
IN HELSINKI

Ω  
**OMEGA**

Worn by people who shape the destiny of the world.

Omega Speedmaster  
Professional







**NAILCOTE HALL**  
HOTEL AND RESTAURANT

Enjoy traditional Christmas/New Year breaks in our delightful 17th century country retreat. Superb cuisine to be enjoyed in our log fired Tudor "Oak Room" Restaurant. 20 exclusive en-suite bedrooms, call for our "Christmas to Remember" brochure.

**Was it the Butler? Or is it Professor Plum?**  
Exclusive Murder Mystery Weekends a speciality  
22nd - 24th October 19th - 21st November £165 per person.  
Overnight Murder at the Hall 13th November £79 per person.

Nailcote Lane, Berkswell, Warwickshire CV7 7DE Telephone: 0203 466174 Fax: 0203 470720

**RELAIS & CHATEAUX.**  
Relais Gourmands  
"the finest chain in the world"

For details on Autumn Breaks and Christmas Events in the British Isles, also for individual brochures, information and the current International Guide contact:

Relais & Châteaux, 7 Cork Street  
LONDON W1X 2AB  
Tel: 071 491 2516 Fax: 071 409 7368

**THE NINETEENTH.**

Play one of England's finest new Championship standard golf courses, designed by Jack Nicklaus II. And at the end of your round you'll find an elegant country house resort boasting a magnificent interior and you can arrive on any day.

**HANBURY MANOR**  
Ware, Hertfordshire SG12 0JH Tel: 0920 487722 Fax: 0920 487092.  
NOT JUST A RESORT - A RESORT

Located in the historic town of Woodstock, close to Oxford. The Feathers is a privately run 17th Century country town hotel with renowned cuisine.

In the shadow of Blenheim Palace, at the mouth of the Cotswolds, the hotel offers many and varied leisure pursuits and activities.

**THE FEATHERS HOTEL**  
Market Street, Woodstock, Oxfordshire OX20 1SX  
Tel: 0993 812291 Fax: 0993 813158

**Tydney Hall**  
It is not hard to decide where to go for the perfect Christmas or New Year celebrations.....

**TYLNEY HALL OR ASHDOWN PARK HOTEL**

Two magnificent Hotels, set in beautiful, natural landscapes in Hampshire and Sussex. Both will pamper you with traditional fayre and the outstanding services you would expect from luxurious Country House Hotels.

Tylnsey Hall and Ashdown Park invite you to relax in elegant surroundings, experience exceptional comfort and wonderful hospitality.

New Year's Eve will be a glittering occasion. Our Gala Dinner Dances will be memorable events.

Be our guest during the festive season and experience the "warmest welcome from the heart of the English Countryside"

**Ashdown Park Hotel**  
Tylnsey Hall, Rotherwick, Nr. Hook, Hampshire RG27 9AJ  
Tel: 0256 764881 Fax: 0256 768141

**Ashdown Park Hotel**  
Wychcross, Forest Row, East Sussex RH18 5JR  
Tel: 0342 824988 Fax: 0342 826206

**LONDON**

**"HOME AWAY FROM HOME" at THE GALLERY**  
Only £39 Per Night

Quietly situated in the heart of South Kensington, with just 36 individually and luxuriously decorated bedrooms, is the Gallery. Our famous restaurant is at its own London townhouse rather than a hotel.

For a limited period and for just £39 per person, not only can you sample this special atmosphere, but you will also be presented with a special "Gallery Prize" as a memento of your stay.

Book now and avoid disappointment later.

**THE GALLERY HOTEL**  
8-10 QUEENSBERRY PLACE, LONDON SW7 2EA  
TEL: 071 915 0800 FAX: 071 915 4400  
Rates are per person per night inclusive of VAT and Service for Double or Twin Room. Please quote "Gallery Prize" Offer.

**25% OFF AUTUMN SALE**

Unbeatable Bargains in October  
At This Superb Town House Hotel:

- Overlooking Hyde Park
- 35 Personalised Rooms
- 24 Hour Room Service
- Private Car Park
- Restaurant & Bar
- Superb Central Location

**LONDON ELIZABETH HOTEL**  
Tel: 071-402 6641 Fax: 071-224 8900  
"Your pleasure is our business"

**WILLET HOTEL**  
32 Sloane Gardens  
London SW1W 8DJ  
Telephone: 071-824 8415  
Fax: 071-730 4830  
Telec: 926678

Small character town house, off Sloane Square.

All modern facilities. Full English breakfast inclusive of very modest rates.

**ELIZABETH HOTEL**  
LONDON SW1

37 ECCLESTON SQUARE, VICTORIA, LONDON SW1V 1PB  
Tel: 071-825 6812

Intimate, friendly, private hotel in ideal, central, quiet location overlooking magnificent gardens of stately residential square, close to Belgrave. Comfortable Singles from £33.00. Double/Twin from £63.00 including good ENGLISH BREAKFAST & VAT. Also luxury 4 bedrooms & studio apartments (min. 3 months). COLOUR BROCHURE AVAILABLE. Egon Ronay/RAC Recommended.

**THE BLAKENEY HOTEL**  
Blakeney, Nr. Holt, Norfolk

Traditional privately owned friendly hotel overlooking National Trust Harbour. Heated indoor pool, spa bath, sauna, mini gym, billiard room. Visit to village, walk, birdwatch, sail, play golf, and view historic places including Snettisham, the Norfolk villages, countryside and coast.

**SPECIAL FOUR AND SEVEN DAY HOLIDAYS**

BOOK NOW ON 0263 740797

**SMALL LUXURY HOTELS OF THE WORLD**

Register now for your FREE copy. It features a collection of 90 of the most exclusive city centre, country house and resort hotels in the world.

**SMALL LUXURY HOTELS OF THE WORLD**  
24 Blades Court, Deodar Road, London SW14 2NU • Phone: 081 877 9500 (24 hrs)  
Or fax us with your name, address and telephone number on 081 877 9477

**The Clifton Hotel**  
Tel: 09303 851231

**FOURSTONE'S PREMIER HOTEL**  
Fourstone House, off the main road, Fourstone, near Farnham, Surrey. Tel: 01253 851231. Fax: 01253 851232.

**CLIFTON HOUSE**  
21 Clifton Road, Clifton, Bristol. Tel: 0117 928 1111. Fax: 0117 928 1112.

**EASTERN FESTIVITIES**  
21 Clifton Road, Clifton, Bristol. Tel: 0117 928 1111. Fax: 0117 928 1112.

**Autumn Breaks at ST. BRIDES HOTEL**  
Saundersfoot SA69 9NH  
AA\*\*\* RAC\*\*\*  
All rooms en suite. Dancing on most Saturdays. Book now for Halloween weekend and Christmas House Party. For brochures write or phone 0834 812304

**GET LOST!**  
In a luxury Connemara holiday by the sea. An oasis of character, calm, charm, comfort and cuisine. Our own beach, bikes, woods, mountains, 100 year old gardens, fishing, tennis, boats, riding, stables, turf fires, pots welcome. Library and mini-suites. Golf locally.

**CASHEL HOUSE HOTEL CONNEMARA Co. Galway**  
"MILES FROM ANYWHERE" BUT ONLY 3 HOURS FROM LONDON  
Tel: (010 353 95) 31001 Fax: (010 353 95) 31077  
Free Brochure - National Business

**SCOTLAND**

**Book your Winter Break Now THE CALLY PALACE HOTEL**  
GATEHOUSE OF FLEET, DUMFRIES AND GALLOWAY

In 100 acre grounds, the Cally Palace Hotel is one of the most beautiful locations in South West Scotland. 56 luxurious bedrooms and suites. Fine food and friendly professional service. Indoor leisure centre. Outdoor tennis, croquet, putting and practice bowls. Free golf on three courses. November & December from £25 pp Dinner, Bed & Breakfast. Over 60% from £40pp (min 3 nights minimum).

Telephone 0557 814341 for availability details or brochure.

**Locke's Manor**  
COUNTRY HOTEL

**THE BEST HOTEL JUST NORTH OF THE BORDER**  
Location in the splendour and hospitality of our 18C Marquis of Queensberry's family manor, set amidst 78 acres of tranquil woodland.

**AUTUMN SPECIALS SHORT/LONG BREAKS**

Mid-week or week-ends from £32.00 per person per night half-board

Golfing, fishing, stalking, clay-pigeon shoots, farm buggy trails, pony trekking available nearby.

**CHILDREN & PETS WELCOME**  
TEL: 0576-202610/203939 Locke's DG11 2RG

**Röhrsdorf Castle**  
A Renaissance Building at your disposal in Dresden

Röhrsdorf Castle is geographically located South-East of Dresden at a distance of roughly 6 km from the Saxonian capital. It is surrounded by fruit growing plantations which stretch over the hills from Dresden to the mountains of Saxon Swab. The castle is connected by road B 172 which leads from Dresden to Heidenau - Pirm - Bad Schandau - Prague.

A library contains approx. 3000 volumes in German, English and French languages covering Ancient History, Linguistics, Law and Economics.

Rooms are available in the castle. Long walks can be taken in the surrounding hills. The castle restaurant serves German and French specialties with fine local wines.

Reservations: Mrs. Kati Lange  
Tel: +49 351 285 770 Fax: +49 351 285 77 263  
01089 Röhrsdorf (Dresden), Germany

**Essential Hotels**

If you would like to receive further information on any of the Hotels appearing in this guide please telephone the Hotels direct for immediate attention or complete the coupon at the foot of this page.

For details of advertising in the next Essential Hotels Guide, on 30th October 1993 please telephone John Argyrides on 071-407 5753

**Oakley Court**  
WINDSOR

Set in 35 acres of landscaped gardens on the banks of the River Thames. There is no better place to spend a weekend.

Three night Christmas Break £330.00 per person "Fourth night free"

Parlour games, a round of golf and a boat trip are but a few of the activities you can enjoy.

**WINDSOR ROAD, WATER OAKLEY, WINDSOR, BERKSHIRE, SL4 5UR**  
TEL: 0628 74141

**Lose yourself in an Oasis of Delight on an Autumn Break at Hartwell House.**

With all the comfort of a magnificent country house set in 90 acres of breathtaking English parkland, Hartwell House is truly a delight for the discerning.

And if you can tear yourself away from the pleasures of the Hartwell Spa with its splendid heated swimming pool, whirlpool, sauna and gymnasium, we will arrange free entrance to one of the magnificent stately homes or gardens situated within easy reach of Hartwell.

However you choose to spend your day, you can ensure a splendid evening by dining in our Michelin starred Restaurant before retiring to your elegant room with the anticipation of another perfect day ahead.

Prices for Autumn Breaks start at £97 per person per night (minimum stay 3 nights) for sumptuous dinner, bed and full English Breakfast.

**FOR RESERVATIONS PLEASE CALL QUICKLY ON 0996 747444**

**Hartwell House**  
Hotel & Restaurant  
Oxford Road, near Aylesbury, Buckinghamshire, HP17 8NL

**THE HAYCOCK**  
at Walsford

THE HAYCOCK IS A CELEBRATED 17TH CENTURY COACHING INN SET IN A DELIGHTFUL VILLAGE OF UNPOOLED COTTAGES

£59.00 PER PERSON INCLUSIVE OF TWO NIGHTS ACCOMMODATION THREE COURSE DINNER CHOSEN FREELY FROM THE RESTAURANT MENU ON ANY ONE NIGHT

FULL ENGLISH BREAKFAST EARLY MORNING TEA NEWSPAPER SERVICE AND VAT EAST ANGLIA'S BEST KEPT SECRET!

0780 782223

**The Montagu Arms Hotel**  
Red Rosette 73% AA\*\*\* Egon Ronay ETB 5 Crowns

A CLASSICAL CHRISTMAS & NEW YEAR GOURMET FOOD & FINE WINES COMPLIMENTED BY SUPERB CLASSICAL MUSIC FROM MEMBERS OF THE BOURNEMOUTH SYMPHONY ORCHESTRA.

Luxurious accommodation with 4 poster beds

Cackling log fires - cosy Lounges

Christmas Break 4 nights from £445

New Year Break 3 nights from £295

TELEPHONE: BEAULIEU (0590) 612324

NEW FOREST, HAMPSHIRE

**SELSDON PARK HOTEL and GOLF COURSE**  
SANDERSTAD, SOUTH CROYDON

4 STAR HOTEL  
GOLF, DINNERS, BED AND BREAKFAST FROM £55 PER PERSON PER NIGHT. SPECIAL RATES FOR CHILDREN.

45 MINS. FROM CENTRAL LONDON  
10 MINS. FROM J6 OF M25

TEL: 081 657 8811

**The Fisherman's Cot**  
First Choice For Your Christmas Holiday Venue...  
ONE OF ENGLAND'S LOVELIEST RIVERSIDE INNS

The Hotel  
At Bickleigh on the River Exe, beside the 14th Century Bickleigh Bridge, Nr. Tiverton Devon. A choice of 25 bedrooms, double, twin bedded, single or family rooms, most have river views. Delightful accommodation with all bathrooms on suite.

Our Christmas Dinner includes 4-Nights Dinner, Bed and Breakfast, 7 Course Christmas Day Lunch, Entertainment for all 4 Evenings and Menu with succulent prime meats and chef's speciality dishes.

Entry into our Special Christmas Holiday Prize Draw.

Telephone now for our CHRISTMAS TARIFF: (0824) 55237 or 455289

**HIGHBULLEN**  
Country House Hotel, Chittlehamholt, North Devon

\* Secluded Yet Marvellous Views. \* Highly Rated Restaurant  
\* 35 Double Rooms With Bath, Colour T.V.  
In all the Impartial Hotel Guides

£47.50 - £70 per person, including dinner, breakfast, service, vat and

**UNLIMITED FREE GOLF**  
Seasonal breaks - October to April  
Indoor & outdoor heated pools, outdoor & INDOOR tennis. Squash, croquet, billiards, sauna, steam room, sunbed, spa20 bath, massage, nine-hole par thirty-one golf course (resident professional). Executive conferences max 20. Children over 8.

**Telephone 0769 540561**

**Time for a Short Break?**  
If it's time you had a break then in a very short time you can be with us on Guessey, staying at one of the most idyllic looking hotels. The Duke of Richmond is a 5 crown hotel, with all the comforts that this superb restaurant and cellar, choice of beer, bathroom, pool and sun terrace with top class bedroom accommodation.

A few minutes walk to the picturesque harbour and town of St. Peter Port with its VNF free shopping and across the park from Guessey's Leisure Centre, the hotel is an ideal base for exploring, and a comfortable retreat with a reputation for quality and value.

**The Duke of Richmond Hotel**  
GUESSEY  
Where traditional values still count.

For brochure or reservation phone 01472 7271 CAMBRIDGE PARK, ST. PETER PORT

**EGONRONAY AAA\*\*\* RAC**  
**The Celtic Manor Hotel**

Victorian Manor House. Set in 300 acres of hillside woodland. Ideally located for exploring the beautiful Gwent Countryside. With cuisine prepared by Trevor Jones, Welsh Chef of the Year.

Indoor Pool & Leisure Facilities. £50.00 per person per night Dinner, Bed and Breakfast. (Fri, Sat or Sun)

"The Celtic Manor Hotel" • Coltrane Woods • Newport • Gwent • NP23 2YA  
TEL: 0633 413000

**DEVON**

**SALCOMBE HILL HOUSE HOTEL**  
SIDMOUTH, DEVON

Every comfort, lovely grounds, ample parking, 5 minutes from seafront & shops yet quiet. Heated pool, Tennis, Putting etc. Reduced fees Sidmouth & Woodbury Golf Clubs.

**SPECIAL MINI-BREAKS AVAILABLE**  
For brochure: Tel: 0395 514697

**The Royal York & Faulkner Hotel**  
The Esplanade, Sidmouth South Devon EX10 8AZ

ETB \*\*\*\*\* COMMENDED RAC Hospitality & Service Award

Yacht moorings - Devon Red Crown England's only private moorings and car park

Oct. £31 pp per night HB  
FREEPHONE 0800 220714

**STAY IN ONE OF DEVON'S MOST ATTRACTIVE COUNTRY INNS**

There is an idyllic setting of the old Victorian style inn with all the comforts of a modern hotel, including a superb 10 roomed hotel, heated swimming pool, tennis, squash, sauna, steam room, sunbed, spa20 bath, massage, nine-hole par thirty-one golf course (resident professional). Executive conferences max 20. Children over 8.

THE SEA TROUT INN  
SIDMOUTH • DEVON  
Tel: (0395) 762274  
Free Brochure Available

**ESSENTIAL HOTELS BROCHURE GUIDE ORDER FORM**

Please enter the appropriate number for the hotel brochures you would like to receive, enter your own name and address and then send or fax this coupon to the address shown. Replies must be received no later than 30 October, 1993.

1. Nailcote Hall	<input type="checkbox"/>	2. Relais & Châteaux	<input type="checkbox"/>
3. The Blakeney Hotel	<input type="checkbox"/>	4. Oakley Court	<input type="checkbox"/>
5. Hartwell House	<input type="checkbox"/>	6. Hanbury Manor	<input type="checkbox"/>
7. Small Luxury Hotels	<input type="checkbox"/>	8. The Haycock	<input type="checkbox"/>
9. Montagu Arms	<input type="checkbox"/>	10. The Feathers	<input type="checkbox"/>
11. The Clifton Hotel	<input type="checkbox"/>	12. Minister Lovell	<input type="checkbox"/>
13. Duke of Richmond	<input type="checkbox"/>	14. Selsdon Park Hotel	<input type="checkbox"/>
15. Tylnsey Hall & Ashdown Park Hotel	<input type="checkbox"/>	16. St. Brides Hotel	<input type="checkbox"/>
17. Dannesfield House Hotel	<input type="checkbox"/>	18. Fisherman's Cot Hotel	<input type="checkbox"/>
19. Cashel House	<input type="checkbox"/>	20. Coombe Grove Manor	<input type="checkbox"/>
21. The Celtic Manor	<input type="checkbox"/>	22. High Bullen Hotel	<input type="checkbox"/>
23. The Gallery Hotel	<input type="checkbox"/>	24. The Cally Palace Hotel	<input type="checkbox"/>
25. Wateredge Hotel	<input type="checkbox"/>	26. Salcombe Hill Hotel	<input type="checkbox"/>
27. Royal York Hotel	<input type="checkbox"/>	28. The Sea Trout Inn	<input type="checkbox"/>
29. London Elizabeth Hotel	<input type="checkbox"/>	30. Locke's Manor	<input type="checkbox"/>
31. The Elizabeth Hotel	<input type="checkbox"/>	32. The Willett Hotel	<input type="checkbox"/>
33. Röhrsdorf Castle	<input type="checkbox"/>		

TITLE ..... INITIAL ..... SURNAME .....

ADDRESS .....

POSTCODE ..... DAYTIME TELEPHONE .....

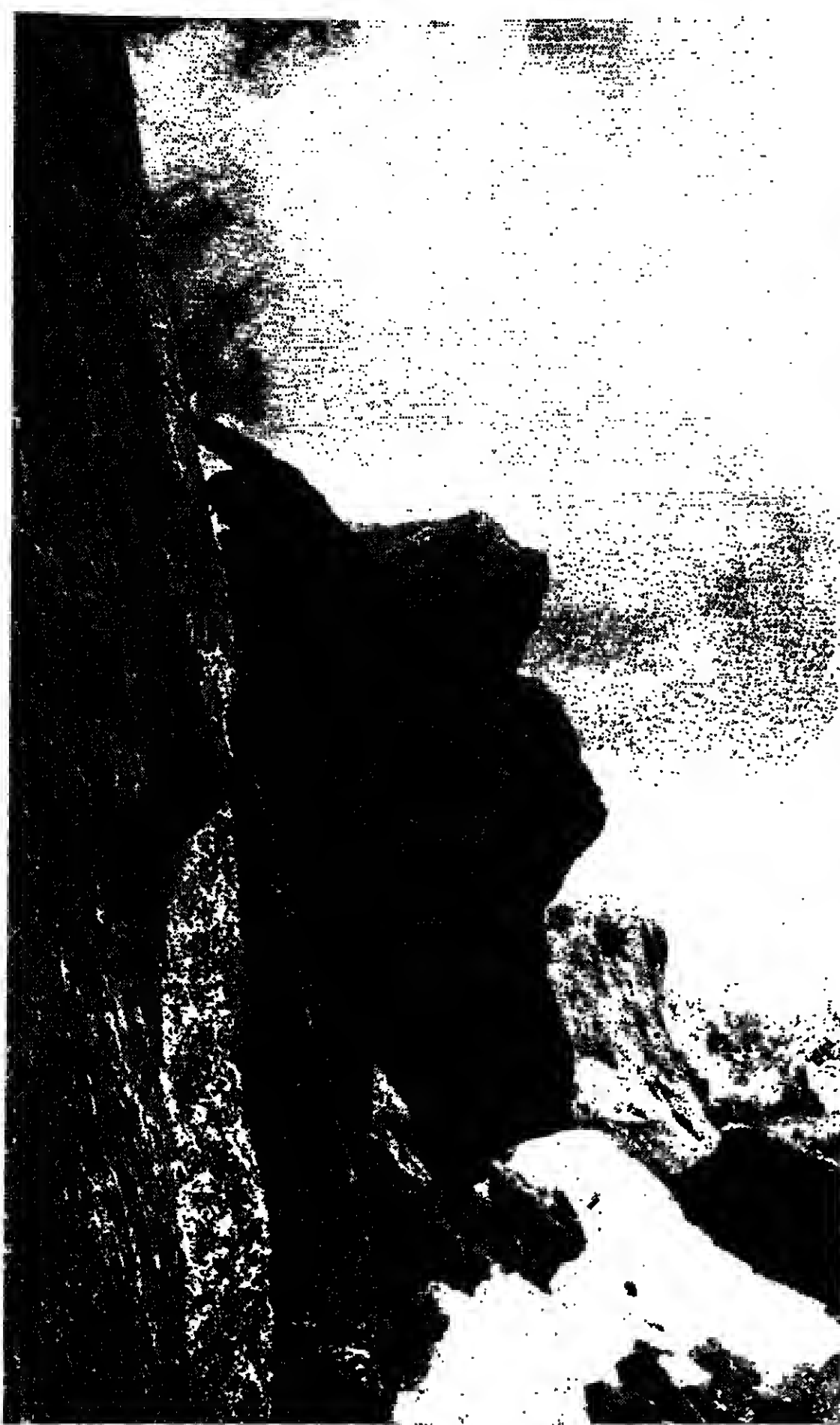
WEEKEND FT ESSENTIAL HOTELS BROCHURE SERVICE  
(Ref 13/93) Capacity House  
2-6 Rothsay Street, London SE1 4UD.  
Fax: 071-357 6065



## PERSPECTIVES

## A white wall of death

Richard Cowper tells how his mountaineering expedition ended in near-tragedy



Doug Scott free climbing on a natural rock spire before the avalanche struck

**A**VALANCHE! The cry most feared by mountaineers everywhere. None more so than by those lured to the greater ranges, where heavy snowfall, warm weather and fierce winds regularly send thousands of tonnes of snow crashing down the mountainsides.

Avalanches are the high-altitude climber's worst enemy. There have been just 2,385 successful ascents of the world's 14,800m peaks - all of them in the Himalayas or the nearby Karakoram - but 450 climbers have died trying, almost half in avalanches. An avalanche has killed one climber for every ten successful ascents on the world's most coveted peaks.

My trip to Nanga Parbat in Pakistan, on an expedition to the world's ninth highest mountain led by Doug Scott, 53, the first Briton to climb Everest, was brought to a premature end by just such an imperious act of nature.

Scott and our other team member, Wojciech Kurtyka, a Pole in his early 40s who is one of the world's most outstanding Himalayan mountaineers, have more than 50 years of climbing between them and nine 8,000m peaks to their credit. But avalanches are complex natural phenomena, and even the most experienced climber is not able to predict when - or even if - one will occur.

On the day of the avalanche we planned to climb the highest peak west of the Mazeno pass, above our base camp. Unlike the lower but more alluring rock spire nearby, climbed by Scott in a great rush of adrenaline a few days earlier, it was not an attractive mountain. But it had not been climbed before as far as we knew and, at just under 6,000m, was suitable for training and acclimatisation. We named it Mazeno west.

Our party of three set off in fine weather from base camp at 5am, early enough we felt to get us down before the heat of the day made the slopes unstable. No danger there, we thought - except that the peak we were attempting was in a basin and south facing, caught by the morning sun.

There had been some snowfall the day before, but lower down it was just a light dusting. No danger there, we thought - but it does not take a huge snowfall to trigger a slope already poised to slide.

It seemed a sensible route, up an old avalanche scar. No danger there, we thought - except that the top third of our route had not been reached recently, and higher up we found that in places the snow had an unpleasant hollow ring to it.

We reached the top without any

great difficulties shortly before 10am, from where we had dazzling views of many of the peaks along the 13km Mazeno ridge, the expedition's planned route to Nanga Parbat's 8,125m summit. It has become known as "infinity ridge" because it is the longest unclimbed ridge in the world, and some argue it will prove impossible to climb so far at such altitude.

By now the sun was well up and we did not linger, descending at the speed unroped, as we had on the ascent. Kurtyka first, then Scott, with me, the expedition lightweight in terms of skill and experience, well behind.

As it turned out my slower descent was a stroke of luck. It meant I was not in the path of the avalanche when it struck.

Kurtyka, a man with the looks,

"Twice I felt as if I was flying through the air. There was a wonderful sensation of floating, just mixing with the snow. Twice I seemed to bang my head on rocks or something solid. About two thirds of the way down my boot crumpled on some rocks. It was tremendously painful."

"As I was swept down the mountain I kept thinking that I would soon become unconscious and die. But after each bump I didn't and I thought how resilient the human body was. I had been expecting a kind of blackness."

"There was no other thought, other than living each second of the fall. The whole thing slithered to a halt. I had to undo my rucksack belt in order to breathe. I poked my head out of the snow, cleaned my glasses. 'Oh, I'm alright' I thought."

**'They are the mountaineer's biggest fear. An avalanche has killed one climber for every ten successful ascents on the world's most coveted 8,000m peaks'**

sensitivity and athleticism of a young Rudolf Nureyev, tells of the incident that so nearly killed Doug Scott.

Very soon after arriving at the narrowest part of the gully I heard a muffled noise. I looked up and saw a long crack appear across the slope above and then the snow began to slide. Doug was about 25m above me, running towards some rocks. He was trying to escape, but the snow was catching him up...

"Immediately I made three or four jumps out of the gully and on to some rocks at the base of the nearby mountain wall. It was just a few seconds before the first rush of snow hurtled past. I had made a very narrow escape."

But with less time to get clear, Scott was not so lucky. A wall of snow crashed into him, sending him spinning down the steep conifer.

"I tried to scurry across the gully towards the rocks away from the avalanche, but it was too late," says Scott. "I thumped both my ice axes into the ice. Then the avalanche of heavy wet snow hit me and pulled me off. I was carried down, not thinking much of it at first."

"Suddenly my descent seemed picked up. I lost one ice axe. I tried to pull myself upright to put the other pick in the ground. It was useless. I was vaguely conscious of passing Wojciech. All the time I was flailing my arms, trying to get on top of the snow to stop myself from being buried and suffocated."

Then I tried to walk - and I couldn't."

Scott had fallen 350m down a snow and ice gully of more than 50 degrees. Even with a helmet, which he had only decided to take at the last minute, it was a miracle he survived. But he was badly hurt: his snapped crampers had smashed the joints and tendons in one ankle and the flesh had come away from the bone.

If the snow which peeled away like a broad carpet across the slope had been just 15cm deeper, Britain's most accomplished mountaineer would have been buried under more than 2m of snow and would have quickly suffocated. We may never have found him. Or he might have hit directly one of the many boulders on his long fall. In either case his chances of survival would have been minimal.

As I climbed nervously down through the avalanche debris the tenacious Scott was already starting to slide and crawl across the glacier, while Kurtyka, showing his extraordinary stamina, ran off to get assistance from Captain Ali, our liaison officer, and our two Pakistani camp assistants, Hussein and Hakim.

The journey down the last part of the mountain had taken Scott just a few seconds. But the 3km trip to base camp, over moraines and around crevasses, mostly on his knees, took several nightmare hours. He is a giant of a man, well over 6ft, and just too big to be carried easily across steep terrain.

The pain on his face as he crawled over snow, ice and boulders reminded me of the famous photographs of him taken in 1977 by Chris Bonington, when Scott broke both legs while climbing the 24,000 foot Ogre in the Pakistani Karakoram. That epic descent in a storm took eight gruelling days.

Later, back at Nanga Parbat base camp, Scott said that the memory of that terrible day had helped him develop an efficient method of crawling, like a crab, on Nanga Parbat.

Even after his lucky escape it was hard for us to accept that the expedition was now over. We had been happy together, healthy, fit and on the way to becoming well acclimatised. The lure of Nanga Parbat was still strong. This was Scott's third attempt to climb it; Kurtyka was captivated by its size and many challenging unclimbed routes, and after several weeks on its slopes I too had come under its thrall.

Bounded to the north and west by the river Indus, Nanga Parbat ("Naked mountain" in Sanskrit) stands in mighty isolation as the culmination of the western half of the Himalayas. Looking to the summit from the Kuppel valley it rises almost sheer for close on 5,000m, the highest face on any mountain in the world.

It may not be the most beautiful of the Himalayan giants, but it is also one of the most dangerous. Famous for savage storms just 112 climbers have reached its summit since it was first climbed by Herman Buhl in 1953, and 56 have died trying, over half by avalanche.

It certainly saw us off. Even the "walk-out" from our 4,800m base camp was not without incident. We overcame a porter strike, lost one of our 11 mules over a 60m ravine, and Scott narrowly prevented his horse from jettisoning him down the same precipice when the beast shook off his saddle.

Six days after the avalanche we limped into the small mountain town of Astor where a doctor took an X-ray, wrongly diagnosed that Scott had a broken foot and assured us that the three screws put in after the Ogre break were still in the right place. Four days later we were in an aeroplane on our way home from Islamabad. From the aircraft, we had a final glimpse of the untamable snow-white trapezoid peak, looming in the distant mist.

The expedition was supported by the British Mountaineering Council, the Mountain Everest Foundation, and Malden Mills. Clothing by Eufaula and Jack Wolfskin.

Gardening/Robin Lane Fox

## A portrait from beyond the grave



Bowles' garden at Myddleton House: a time-capsule of past great ideas

**I**S THERE life for a garden after death? We all burrow away, planting our musk roses and lavender-blue Aster frikartii; we wage inconclusive war on weeds; we escape for hours from human company and then, like our toddler salvias, we keel over.

"I have seen only one certainty in life," said an early Muslim saint: "death". We have to agree that he was right. These autumn evenings have a melancholic tinge: responding to it, I have been on the trail of autumn mortality. Just north of London, I have revisited a garden where the balance between death and continuing life is particularly evident.

In autumn, its former owner is particularly in my thoughts. Autumn crocus looks very pretty at the moment and the bigger flowers of the colchicum are even better. Nobody has ever been such an expert on the family as the late E.A. Bowles. Bowles' life spanned the great age of gardening, from 1865 to 1954. He outlived the later years of Gertrude Jekyll and the formative years of Hidcote or Sissinghurst. Nowadays, they have all been revived and they are household names, even to non-gardeners. Yet Bowles had a sharper eye, ever alert to the small beauties of botany.

Dozens of good garden plants still bear his name, from a grey cotton lavender to a well-known cream-yellow crocus. Nonetheless, he has remained a name for connoisseurs only. Some of us have read his three seasonal books, called *My Garden*; others, perhaps, have seen Bowles Corner in the gardens at Wisley in Surrey. If Bowles had been a woman, not a bachelor, he would be all over bookshops, the radio and

the US. When he died, the Bowles line branched into Parker Bowles, whose fame now extends beyond cream-coloured crocuses. What about his garden: has it survived him in any way?

Through his books, readers still feel that they know it intimately. His habit was to describe what he grew as if he was taking us round with a cup of coffee in one hand. The garden lies at Myddleton House in Enfield, Middlesex, just off the junction of the A10 with exit 25 of the M25.

In Bowles' day, it teemed with rarities, not the roar of traffic: his alpine meadow of bulbs was famous; so were his crocuses, snowdrops, irises, anemones and his rare quirks of nature (his Lunatic Asylum), not to mention his rare trees and shrubs. Through his own writings, you cannot help knowing his habits: his dislike of sweet peas on the dining room table, his habit of going out in January, throwing buckets of water at the trunks of the yew trees and polishing them until they shone.

This month of September was the season for Bowles' bowling: he would scatter narcissi along his drive by bowling them over-arm and planting them wherever they landed.

In 1954, Bowles' famous garden passed to the pharmacology department of London University; in 1968, after years of academic neglect, it

sold most of the flower garden to Lee Valley Park. Nowadays, there are civic lampposts up the drive where Bowles once bowled narcissi. The Lee Valley Rangers have made themselves at home and have established a Ranger Base in the stables. Since 1994, there has been talk of refurbishment and approaches to Wisley and the new conservation movement for plants. I have heard good things about the new iris beds whose varieties have names such as Indian Pow-Wow. Lee Valley inher-

ited a difficult legacy after 14 years in London University's inadequate hands and a further 16 years of restraint not made the task easier. Admirably, Lee Valley and the Rangers open the garden daily throughout the season; they provide leaflets, some labels, an incongruous glasshouse from a show in Glasgow and a budget for garden staff. As a test-case for a garden's after-life, Bowles' has enjoyed an unusual life: neglect, then attempts at restoration from an unusual quarter.

The site is a muddle and I am not impressed by progress, even if funds have been scarce. I suspect that a no-spray policy has been popular, leaving the weeds untamed; it looks as if no strong personality has taken a firm grip and pulled the garden back into shape. In these days of conservation, the opportunity ought to be taken. Bowles' garden is one of the few which a famous owner described so carefully that we could recreate its extraordinary interest in this new,

plant-finding age. If run ruthlessly, it would not be impossibly expensive.

Nonetheless, all is not melancholy. To an ear trained on Bowles, there are echoes which survive the grave. Sometimes you catch them on the old pergola where roses grow with names like Silver Moon and Paul's Perpetual White: Bowles enjoyed single-flowered roses and two of his favourites, *Anemone* and *Bracteata*, still climb where he planted them, up the old stone cross of Enfield, which he rescued and conserved in his own garden.

In the neighbouring jungle, his carnations have gone from the boxed beds, although anyone competent could restate them. The grey-leaved tree-poppies are still going strong with those single white flowers like newly-fried eggs. Nearby, you hit on a tangle of oddities, a white passion flower, a big clematis armandii, a badly-damaged clematis with its thorns, a red columbine and behind the wall, a climbing clematis.

The river has changed course: the hosta-bed continues; the irises have been updated. Bowles might not care for all the Rangers' bedding-out, but I certainly cared for the sight of his marvellous long-flowered Wistaria, still growing by a former river-bridge and twisting upwards far into an evergreen tree. Even among neglect, old echoes suggest new tricks: I now want wis-

taria up my awful leylandii cypress. Among the weeds and the ever-present snowberry, I began to relish the fragments of immortality, made famous by his writings. The cyclamen are still there and so is the old conservatory, now housing the pair of ornamental ostriches which used to stand by the river. The lake looks forlorn and the meadow is gone, but there is still a tantalising sweet chestnut tree and a plant or two of oxalis Bowles White whose long season of flower has been delighting me in my garden this year. There are even some of the lemon yellow daisies, which Bowles' books recall as a special present.

If the owner returned, he would be philosophical, perhaps in one of his homes, but such quotations. He might, however, ask us why we should expect our gardens to survive us and whether this quiet subsidence was not better. For gardens to live, on, they have to be retouched by somebody else, like a canvas for ever in an artist's workshop.

I have, however, learned what to plant in order to cheat life's only certainty. In the corners of the flower beds and in a crack of the paving round Enfield Cross, great clumps of autumn colchicum still thrust into the open, leafless but wonderfully white and purple in the sun. If you want to cheat mortality, plant colchicum for the future. They will survive a University, and be friendly to a Ranger Base and the passage of 40 years. Bowles loved this family and must have planted some of these great survivors; in September I find it reassuring that some of them are still flowering, in the jungle of the garden whose owner understood them best.

As They Say in Europe

## Between the Maginot lines

James Morgan takes the measure of Franco-German friendship

*Le Monde* in that same period gave Germany 523cms, much of it Gatt-oriented, while Britain received 432. There was a difficulty here because I excluded from the count of *Le Monde's* cross-Channel coverage a huge tourism feature on Hain in the Channel Islands - "L'Eden made in Britain". Had that been included the British score in *Le Monde* would have reached some 600cms.

What the papers write about indicated a lot. Apart from Gatt and German interest rates, the French also follow

neo-Nazi matters and the general course of German domestic politics. The *FAZ* devoted nearly half its coverage of France to Gatt-related topics ("It is scandalous that a single, small interest group in a single country, France, can block a successful outcome to this vital and significant trade round.") The rest was domestic politics and some cultural events.

The structure of British news in the two papers was wholly different. In both it is heavily oriented to personalities and traditional institu-

tions. *Le Monde* was interested in the Edinburgh festival, the former Chancellor Norman Lamont, the novelist A.S. Byatt, the Trade Union Congress annual conference and mad cow disease. The Germans took the death of the historian E.P. Thompson very seriously and devoted much space to the BBC, the royal family, the Oxford English dictionary and Harold Pinter's new play.

This research confirms me in an impression I have held since I began writing this column. Franco-German friendship is a complete farce and

both find the British more interesting than they find each other. Significantly the biggest single item about France in the *FAZ* during the relevant period was a feature under the sub-heading, "Is Franco-German friendship at an end?" It was based on a study of a series of books or articles (mainly French) on this very matter. The answer to the question seems to be "Yes."

A central element in the discussion was an interview the publisher of *Der Spiegel*, Rudolf Augstein, gave to *Le Figaro* in August. Some recent com-

mentaries from Augstein had led him to be portrayed across the Rhine as a "cynical French-hater." But he told his interviewer, "We don't accuse you, the French, of the worst things. The worst was done by us. But you have to realise: Even before Hitler there was a hostility between French and German nationalism... The opposition to any form of German unity is a component of your history, from Richelieu, to de Gaulle and Mitterrand. As Clemenceau significantly put it, 'There've always been too many Germans on this earth.'"

The account of Augstein's remarks ended with an attack on the "Paris intellectuals" and the "intellectual arrogance of French chauvinism" which were "among the most unloved [French] export products."

The frankness with which the Germans express themselves about the French has no

mirror image. French commentators are so aware of their national dependence on Germany that they tread very carefully. As de Gaulle noted, "The Germans are with us every minute of every day."

But fortunately I have developed a research tool that gives an infallible guide to underlying French attitudes. Try it yourself on the next Frenchman you meet. You will find the response takes the following form - a sudden intake of breath, a strange pallor suffuses the face, there's some choking, a hand clutches the brow and finally a roar struggles from the confusion. Just say: "Last summer I was in Nice, walking along the Promenade des Anglais, and I wondered why there wasn't a Promenade des Allemands."

James Morgan is economics correspondent of the BBC World Service.

## GARDENING

## CLASSIC ROSES

BY PETER BOWLES

Over 1100 varieties of roses, the best of the old and the most garden-worthy modern roses. Also a selection of companion plants and shrubs. Carefully chosen to complement roses. Price, full colour catalogue on request.

Peter Bowles Roses, London Road, Aitchborough, Norfolk, NR17 1AY. Tel: 0953 454787



FOOD AND DRINK

# Slap another smoked 'roo on a barbie for me

Nicholas Woodsworth finds that Australia's 'new food' is very much to his liking

**S**TARTLING food discoveries sometimes come at unexpected moments. I made one not long ago as I streaked through the sky from London to Australia, and it is this: if you travel east at 500 miles an hour, not only do you go through two sunsets and two dawns in 24 hours - you also go through two breakfasts, two lunches and two dinners. This might not sound earth-shattering but it had me worried. I do not like the idea of travelling faster than my own stomach.

Hardly was the Medoc and lamb medallions disposed of than the odour of hot coffee, bacon and croissants drifted from the galley. My companions on the flight - four women journalists from London - seemed wholly unperturbed by these endless offerings and tucked in heartily. But then, they are hard-bitten food-and-wine professionals who make their living through eating. For them, this was just a limbering-up exercise in preparation for the rigours ahead.

I, on the other hand, was merely a token male and food amateur who had come along to see what ordinary visitors might make of Australian fare. And, since food is a product of geography and social history, to discover what it might say about Aussies themselves.

First stop, Adelaide. For most visitors, Sydney - that brash, bustling, and most cosmopolitan of cities - provides an initial contact with the continent. Adelaide is something else; the only small town I know of with a population over 1m.

With old-fashioned and unburied civic pride, red brickwork and Victorian iron filigree, Adelaide exudes an air

of colonial Australia. Not even its endless sprawling hummocky suburbs modernise the image wholly. Tidy, staid, conservative, intolerant of airs or pretensions - they push the city straight into the 1950s.

Does the food match the dated atmosphere? Walking past the cheap and cheerful cafes of Hindley Street, the main drag, I suspected it would. Here, amid pool halls, tattoo parlours and noisy, hard-drinking pubs were dozens of establishments of the egg-and-chips, beans-and-chips, sausage-and-chips variety - the kind of places that, world over, have satisfied the stolid Anglo stomach and soul since colonial days.

*'Nouvelle cuisine flopped miserably when introduced to Australia'*

Evidently, there is a strong element of Australian cuisine that remains faithful to its English meat-and-two-veg origins. The further you get from the larger centres of population on the coast, the simpler the whole idea of food and eating becomes. At Alice Springs, in the dead centre of the continent, such concepts are simplified to the irreducible minimum; witness the dress code sign outside Bojangles restaurant: "Neat casual or bugger off."

Even in civilised South Australia, though, the famous Adelaide "pie floater" - a meat pie in a soup bowl of mushy peas and topped with gouts of tomato sauce - retains its modest place. It is an item bought, only half sober, from

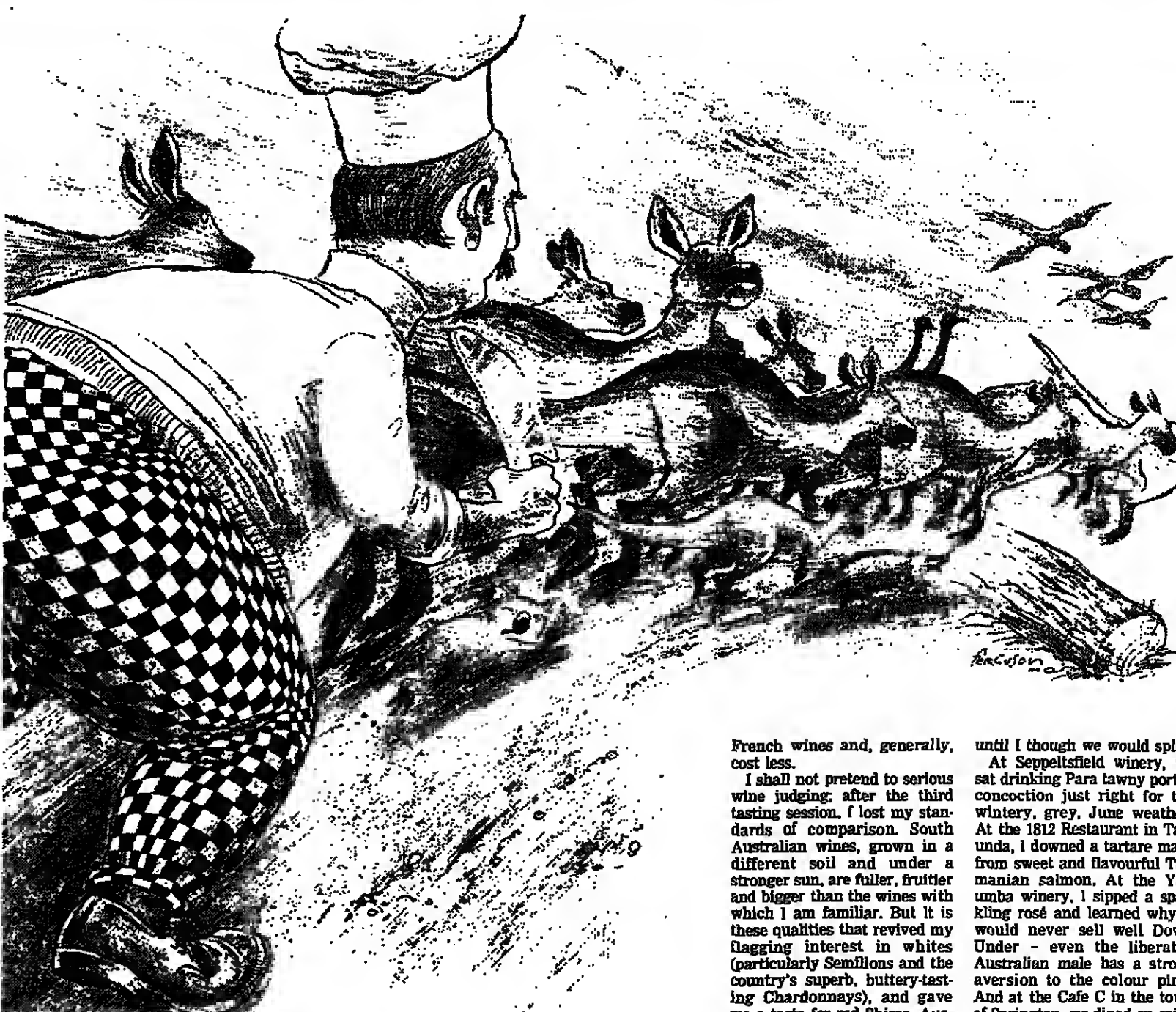
the mobile vans that set up on the city's street corners at sunset. "After a few tipples on a cold winter's night, there's nothing better than a floater," one demure young waitress told me.

I followed her prescription and found, on the few-tipples level by which such things should be judged, that she was right. None the less, if you move off Hindley Street and look just a little bit harder you will, without much problem, discover a world of sophisticated food and drink that belies wholly Adelaide's provincial image. For the visitor, it is the start of a culinary trail that leads to some of the most innovative and intriguing cuisine found anywhere.

Where does Australia's more exciting cooking come from? Not, we began to realise over dinner at Adelaide's Universal Wine Bar, from British tradition. That was not the source of the tender, charcoal-grilled squid and marinated red pepper salad I was eating. If Anglo-Australians had been left to their own devices, the Universal's menu today would not be enlivened by garlic and olive oil, aubergine and shallots, scallops and fresh-water crayfish. It would be duller even than the Adelaide suburbs.

The cuisine of the antipodes has moved on since the 1950s, however. Before that time, Australians suffered from what was known as "cultural cringe," a deep-seated malady that associated things superior with things British. Conversely, everything domestic was regarded as inferior.

The result was as depressingly predictable as a Vegemite sandwich: tinned and heavy foods, fried foods, preservative foods, foods with their natural



flavours and textures literally boiled out of them. It was only when the first large waves of immigrants arrived from Italy, Greece, Lebanon and Turkey that Australians discovered freshness.

Based on fresh ingredients, cooked rapidly and prepared without pretension, Mediterranean cooking fits in well with the country's relaxed, outdoor life-style (nouvelle flopped miserably in Australia). It shares something with the backyard barbecue that has always been

popular Down Under. Put plainly, the best Australian cooking is a kind of barbie-style cooking with refinement.

By contrast, Adelaide's water supply, drawn from the city's rivers and reservoirs, is not very refined at all - indeed, locals say there is a meal in every mouthful. But then, water is not drunk in great abundance at South Australian restaurant tables. Neither, these days, is beer, nor the sweet and grapey Moselle that Australians used to favour.

Why should it be when, less than an hour's drive from Adelaide, is the Barossa valley, one of the country's finest wine-producing areas?

France has lost a steady customer. In the Barossa - home to 48 wineries and a centre for a third of Australia's premium wine output - I wandered around vineyards lit up in autumnal shades of red and gold and found that, with a little experimentation, Australian wines can give as much pleasure and satisfaction as

French wines and, generally, cost less.

I shall not pretend to serious wine judging; after the third tasting session, I lost my standards of comparison. South Australian wines, grown in a different soil and under a stronger sun, are fuller, fruitier and bigger than the wines with which I am familiar. But it is these qualities that revived my flagging interest in whites (particularly Semillons and the country's superb, buttery-tasting Chardonnays), and gave me a taste for red Shiraz, Australia's major grape variety, more commonly known in Europe as Hermitage.

At St Hallett's winery, I revelled in Old Block, the product of Shiraz vines planted by German Lutherans at the beginning of the century. At Maggie Beer's delightful Barossa valley restaurant, the Pheasant Farm, I tasted an even more exotic form of this rich, flavoured, heady variety, a sparkling wine by Rockport called Black Shiraz. It is so big and full of tannin and fruit flavour that it quite swept me away.

So, too, did the meal that I accompanied. Like all Australian chefs of note, Maggie Beer believes in using freshly-prepared local produce. No victim of cultural cringe, her menu features gum-tree smoked kangaroo on duck-egg pasta. I found it as good as the best smoked venison.

Even a decade ago, such a dish would have horrified her compatriots. The kangaroo might be a national icon but, in the past, most Australians have rated it fit only for dog food. Today, kangaroo is just one of the items of "hush tucker" - indigenous foods, hunted traditionally and gathered by Aborigines - in which there is growing interest.

I could go on. Certainly, our group did - on and on and on

until I thought we would split. At Seppeltsfield winery, we sat drinking Para tawny port, a concoction just right for the winery, grey, June weather. At the 1812 Restaurant in Tanunda, I downed a tartare made from sweet and flavourful Tasmanian salmon. At the Yalumba winery, I sipped a sparkling rose and learned why it would never sell well Down Under - even the liberated Australian male has a strong aversion to the colour pink. And at the Cafe C in the town of Springton, we dined on spicy scallop salad and a delicate Thai green chicken curry. It was a fair sampling of yet another trend: Austral-Asian cooking.

Brought once again by the country's newest wave of immigrants - Vietnamese, Thais and ethnic Chinese - this is a fusion of styles that is fast changing the culinary scene. The nation is finally realising that its future lies not with the distant west at all, but with the Asia that lies on its doorstep.

I shall not go on, though. We were still in South Australia. Ahead lay Victoria and New South Wales, both reputed for the sophistication of their cuisine. Already, I was exhausted and ready to go on the Scarsdale diet.

My suspicion on the plane was right: Australia is just too much for one sitting. But given a while to catch my breath, I shall be heading Down Under once again. The culinary exploration of Australia is a cool achievement. It took a week, after all, to discover it in the first place.

## Food to warm the hearts of Britain

Philippa Davenport cooks comfort foods for autumnal evenings

**W**HEN EVENINGS begin to draw in and bonfire smoke gives way to ground frost in the garden, a yearning for comfort foods begins.

Game pies and stews make splendidly meaty offerings when the game season gets properly under way. In the meantime my thoughts turn to less carnivorous dishes.

Regional recipes such as Dublin Coddle, Pan Haggerty and Anglesey Eggs clearly lack sophistication but, like hot water bottles and vests, their aim is not glamour but to supply feelings of wellbeing.

That said, Anglesey Eggs is a more refined dish than the ingredients list suggests. It is sufficiently filling to satisfy a family for supper, but not solidly stuffing. In fact it could be served to lunchtime guests.

Two things keep it delicate: a sauce that is silky, not a heavy wallpaper paste, and the lightness of the purée, which stems from a high ratio of leeks to potato.

Whizz the leeks in a food processor with 3oz butter to make a sloppy green purée. Mash the potatoes, season them lavishly and beat in the leeks.

Make a sauce with the remaining 1oz butter, the flour and the milk. Let it simmer for



10 minutes then flavour it with salt, lots of pepper and nutmeg and 2oz grated cheese.

While the sauce cooks, hard-boil the eggs, shell and quarter them. Spoon the purée into a ring to a baking dish. Pile the eggs into the centre of the nest (sometimes I scatter snippets of ham among them) and pour the sauce over them.

Sprinkle on the remaining 1oz grated Cheddar (or a few spoonfuls of breadcrumbs) and bake at 400°F (200°C) gas mark 6 for 10 minutes or so until bubbling hot.

**PAN HAGGERTY**  
(serves four/six)

Rosti, crêpe and other potato cakes are much enjoyed in fashionable circles, so why not our own Northumbrian version? The richness of this dish calls for a large green salad afterwards. A mixture of faintly bitter chicory, frizzy endive and peppery watercress is particularly good.

2lb potatoes; 4lb onions; 5oz mature farm-made Cheddar cheese; 4 tablespoons fat (beef dripping is traditional, butter and bacon fat are also good).

Chop the onions finely and let them fry gently in two tablespoons of fat in a very heavy based (or non-stick) frying pan about 11-12in in diameter while you peel and thinly slice the potatoes and grate the cheese.

Away from the heat, lift the onions from the pan. Add a little more fat to the pan and spread half the potatoes over the base. Season them well, lay the onions over them and cover with the cheese. Finally spread the rest of the potatoes over the top, seasoning well as before.

Cover the pan (a double-thick sheet of foil makes a good lid) and steam-fry over a fairly low flame for, say, 30-35 minutes until the vegetables are tender.

Remove the foil and turn up the heat towards the end to drive off most of the moisture and to brown the underside of the potato cake.

Brush the surface of the potatoes with a little fat and slip the pan under a hot grill to brown the top well.

**DUBLIN CODDLE**  
(serves four/six)

This is said to have been a favourite dish of Dean Swift. Some cooks use milk instead of water, which makes for a richer sauce, though the texture can appear a little curdled. The proper accompaniments are soda bread and stout.

1lb sausages; 4lb thick cut streaky bacon; 2 onions; 2lb waxy potatoes; a bay leaf and a bunch of parsley.

Dice the bacon and cook it gently until the fat begins to run. Remove it and stir in the chopped onion. Five minutes later add the sausages. Turn them to coat them with fat. Return the bacon to the pot, add the potatoes cut into chunks, the bay leaf, a couple of spoonfuls of chopped parsley and a good grinding of pepper, but no salt.

Pour on water to come just level with the top. Bring swiftly to simmering point and stew gently (on the hob or in the oven) with the lid slightly askew for at least 45 minutes until the ingredients are very tender but not falling apart, and the "gravy" is reduced and well flavoured.

Lift out the solids and boil down the liquid at the end if there is too much. Sprinkle with extra parsley and adjust seasoning to taste.

## A fine taste of Sicily

**B**ROOM AND oleander were in bloom along the roadside when we left Palermo for Merù in south-west Sicily. Beyond acres of vines and olives, some of the most beautiful of the island's landscapes are a Sicilian week of cooking.

A course with Tasting Italy is a dream week for the lazy and greedy. Primarily a cooking holiday, the philosophy is one of mood as much as food: to introduce, along with superb cooking, the Italian sense of the importance of fresh ingredients and mealtime. "I see people at supermarket checkouts buying tinned potatoes," says Sara Schwartz, one of the partners of Tasting Italy, "and I want to ask them why."

Why indeed, when potatoes tossed in olive oil, interspersed with onion, leek and garlic, then scattered with coarse salt and origanum and baked, can make your toes curl with delight?

Our course was held in an 18th-century palazzo owned by the Ravida family. The rooms are huge and their church-like smell - one of the bedrooms was formerly a chapel - is enhanced by paintings, frescoes and gilt finery.

We were an eclectic crowd, saying one another around our welcome table of bread with lemon zest and sun-dried tomatoes. On a marble slab table was a huge bowl of lemons, and ice-breaking jug of Pimm's-soaked strawberries.

This was not the bakers' dozen of serious foodies I had been expecting. Ranging from 18 to over 60, they included a diesel generator factory owner, a student, a waste disposal

company MD; a retired builder and the head chef of a King's Road restaurant. In charge of us for the week was Carla Tomasi, cook and writer.

We were issued with aprons and watched Carla prepare sardines and anchovies. An exponent of the hands-on school of learning, she threw us into the deep end with that tray of unfortunate fish.

Our self-congratulatory knew no bounds when we lunched on tender pink and white marbled beans with a rough pesto, anchovies cured in lemon juice, sardines fried around cheesy stuffings, spaghetti with a sauce of sardines, onions, currants and pine nuts. Dessert was wild strawberry ice cream served with strawberries marinated in orange and lemon juice. All this with too much wine and sweet spring water. We slept it off on the beach.

The course may not be heavyweight enough for the really serious foodie. But it was deeply enriching for me and we took away a file full of eminently repeatable recipes along with memories of a slightly crumbling palazzo, baking frescoes, cool verandas and new friends.

■ Tasting Italy courses also take place in Piedmont and Tuscany. Prices range from £885-£1,250 which includes transfers, tuition and all food and wine but excludes airfares. For further information contact Sara Schwartz at PO Box 1930, London W11 2ZU. Tel: 071-727 9376 or fax 071-287 2897.

Heather Parker

**CLARETS AND VINTAGE PORTS**

WANTED We will pay auction hammer prices. Payment immediate. Please telephone Patrick Wilkinson Tel: 071-267 1945/Fax: 071-264 2785

**WILKINSON VINTNERS LIMITED**  
Fine Wine Merchants  
41 Constance Rd London NW3 2LN

**WANTED 1963 & 1966 VINTAGE PORT**

Richard Harvey-Jones  
Tel: 0473 626072  
Fax: 0473 626004

**GIDLEIGH PARK, CHAGFORD, DEVON**

If you didn't win the FT's lunch competition prize, treat yourself at one of our special weekends, or just enjoy good food, special service, a beautiful setting, and winter rates.

**Wine Weekends**  
Janina Robinson, Bill Baker, Michael Broadbent.

**Cooking Weekends**  
with Egon Ronay Chef of the Year Shaun Hill.

**Guided Walks**  
on Dartmoor with Chris Chapman, TV star!

**Shooting and hunting**  
arranged anytime.

Egon Ronay Hotel of Year 1990, Chef of Year 1993, Times Hotel Restaurant of the Year 1989. Good Hotel Guide César Awards, Michelin star, GPG 4/5. Member Relais & Châteaux.

*'Elegant, very cedary nose, like opening the lid of a box of fine cigars.'*

**YOUR LAST CHANCE THIS YEAR TO BUY SOME OF SPAIN'S FINEST WINES AT CLUB PRICES.**

**THE RIOJA Gran Reserva CLUB**

NO SUBSCRIPTION. SIMPLY ORDER YOUR WINES, STARTING FROM £96 PER CASE (INC. VAT & DEL.)

FIND OUT ALL THE BENEFITS OF CLUB MEMBERSHIP TODAY

TEL: (0502) 724 222 FAX: (0502) 724 805 WINES FROM

ON WRITE TO: RIOJA GRAN RESERVA CLUB  
C/O ADVANCE WINE MERCHANTS, 1st Floor  
HIGH STREET, SOUTHAMPTON, SOUTHAMPTON SP4 8DP

**THE DORCHESTER**

INVITES YOU TO ENJOY THE ORIENTAL BANGKOK'S THAT COOKING IN LONDON

From 27th September until 8th October 1993, top Thai Chef, Vichir Mukura, from the world-famous Oriental Hotel in Bangkok, will be offering a selection of Thai specialties to the Michelin-starred Oriental Restaurant at The Dorchester. In addition to an extensive à la carte menu, there is a set lunch menu at £20 and a set dinner menu at £28 (including Service and Tax).

The Oriental Restaurant is open for lunch and dinner from Monday to Friday and dinner on Saturdays. It is advisable to book a table. Please call 071 629 8888 to do so.

**THE DORCHESTER**  
PARK LANE LONDON W1A 2JF  
TELEPHONE 071 629 8888



## FASHION

# Black is back for a Puritan's night out

But layers of chiffon help lighten the mood, says Avril Groom

**I**F AUTUMN'S new style has the minimalist, monochrome appeal of a nun's habit, then evening wear can provide some light relief. Dressing for a celebration is, surely, an excuse for some jolly jewellery or the glint of a gilt hutton?

Not in the view of fashion purists. High evening wear for winter festivities will indeed be rich with beading and the multiple textures of velvet, chiffon and lace, but it will all be black – or the most sombre of medieval shades. And for anything less formal, "plain" is the only word that counts.

Evening wear is the final area to succumb to the new Puritan simplicity. Last winter women who had already pushed their sharp little suits to the back of the wardrobe were happy to step out at night in pert hustlers and short, bright skirts. But now, as the key recessionary mood lingers, even celebration is in soft focus.

Although evening style is simple and unadorned, it is not heavy or dull. Instead it is based on a delicate lightness and the finest of fabrics. In the past, the philosophy of evening wear has too often been "more is more" with attention on decoration rather than clever cut. But a plain dress relies on the cutter's art and the choice of fluid, flattering material for its success.

The way to achieve subtle evening femininity is with transparent but matt fabrics, primarily chiffon. The newest way with sheers is to layer them. One layer is completely transparent; two are tantalisingly veiled; three and you might as well wear a solid fabric unless the outer one is cut to float free and create a diaphanous lightness. Single-layer chiffon is often contrasted with a rich, deep texture in the form of devoré, or cut, velvet.

Chiffon now is about softness, not nudity. At a summer party in Cambridge in the 1960s I remember earnest male



Silk velvet devoré tunic, £285.50, matching trousers, £507.50, both by English Eccentrics from Harvey Nichols, Knightsbridge, London SW1 and Matches of Wimbledon. Silk chiffon skirt by Morgan and Orlas, £75 from Harrods, Knightsbridge, SW1. Bag by Natshe Barault, from £200 to order from Browns, South Molton Street, W1. Thong sandals from a selection at Russell and Bromley

undergraduates crowding round a girl better-known as a dollybird than a brainbox. They were probably not hanging on her every word – she was wearing the university's first recorded see-through house over nothing at all.

By the hardened, unshockable 1980s, a sheer blouse over a worn-to-be-seen Wonderbra was standard nightclubbing gear for teenagers. The inevitable reaction has now set in. The underpinnings for chiffon

should be as concealing as possible and the puffed-up cleavage has all but disappeared.

So, along with sheer layers, you may need some new lingerie. The Wonderbra illustrates the point. At fashion-forward stores, its sales are now being matched by those of Gossard Glossies, £11.99, another 1970s revival but this time a totally smooth, plunge-fronted, lightly underwired "no-bra" style that gives a natural shape.

Alternatives include Jockey's plain cotton, almond-coloured, elasticated edge briefs, £3.99, and crop-top, £6.50, though this has rather wide shoulder straps, and Knickerbox's cotton/Lycra, cup-stitched crop-top, or camisole, both £6.99 from their Brilliant Basics range, available in black or white. There is also the more grown-up version of visible lingerie, such as Marks and Spencer's pretty black or burgundy stretch lace tank top, £9.99, which looks equally

good under chiffon or on show. Sheer layers are strong at every market level. Chanel and St. Laurent revel in them for couture, but realistically the most luxurious is Flyte Ostell, who produces plain and beautiful layers, either tunic-style or bias-cut and sometimes mixed with satin or cashmere. Ellis Flyte was previously a lingerie designer with a gift for bias-cutting while Richard Ostell was known for high-quality, understated daywear. Their teaming has proved a winning combination. Zoran is the more exotic American equivalent, available at Browns in London, and English Eccentrics has had a great success with its classical motif devoré chiffon and velvet.

Evening transparency need not be expensive. Jigsaw, Whistles, River Island and Marks and Spencer all use synthetic chiffon and georgette to great effect and at reasonable prices. Ex-film designer Andrea Galar has a new ready-to-wear range of simple evening pieces in heavy silk crepe but will make to order in other fabrics and sizes.

Make-up from the Velours colour collection by Christian Dior. Pictures by Tony Boase at the Hotel Bel-Air, Cap Ferret. Flights London Stansted to Nice courtesy of Air UK.



Silk chiffon dress, £470, matching tunic, £335, both by Flyte Ostell from Liberty, London W1. Browns, South Molton Street, London W1 and A la Mode, Hans Crescent, London SW1. Beads, £22.95 from Farnwick. Sandals from a selection at Pied-à-Terre

good under chiffon or on show.

Sheer layers are strong at every market level. Chanel and St. Laurent revel in them for couture, but realistically the most luxurious is Flyte Ostell, who produces plain and beautiful layers, either tunic-style or bias-cut and sometimes mixed with satin or cashmere. Ellis Flyte was previously a lingerie designer with a gift for bias-cutting while Richard Ostell was known for high-quality, understated daywear. Their teaming has proved a winning combination. Zoran is the more exotic American equivalent, available at Browns in London, and English Eccentrics has had a great success with its classical motif devoré chiffon and velvet.

Evening transparency need not be expensive. Jigsaw, Whistles, River Island and Marks and Spencer all use synthetic chiffon and georgette to great effect and at reasonable prices. Ex-film designer Andrea Galar has a new ready-to-wear range of simple evening pieces in heavy silk crepe but will make to order in other fabrics and sizes.

Bias-cut chiffon dress, £125 from Whistles. Silk crepe trousers, £225 from Andrea Galar, England's Lane, London NW3. Stretch lace tank top, £9.99, from Marks and Spencer. Beads, £24.95 per string from Liberty

## Rise of the new legging

**L**EGGINGS could be said to be the new jeans – in other words, a staple.

There can hardly be a female wardrobe that does not sport a pair. They are what we put on when we get dressed on auto-pilot when we're off to potter round the shops.

They can be teamed with skinny rib knits or cropped sweaters if you are young and lithe, with thigh-covering skirts or sweaters if you are not. With Lycra they accommodate almost every size and shape. They come dark and serviceable for everyday, or slinky and velvety for glamour.

But what happens to the legging now that fashion has done a volte-face and gone all soft and feminine? Like all successful species, the legging has evolved and adapted itself seamlessly to the new fashion environment and is still on all the smartest shelves, alive and kicking.

The new-look legging this winter comes in many moods: satin-backed crepe, silk, chiffon, velvet, linen, wool or cotton. The newest are something of a hybrid – a cross between a legging and a proper pair of trousers. For the young, slim, trendy and long-legged there is the flare – French Connection do some marvellously slinky ones in rich dark chocolate and dark blue as well as black at £69.99. Hue, as ever on the ball, has come in a thick matt soft but unmelting nylon/Lycra mix at £55 a time.

In sporty mode there is even more choice – from Alty Capellino's Hearts of Oak leggings in extra ribbed cotton, with something of the flane of a jodhpur, at £60 a time to Artwork's beautiful indigo coloured cuffed cotton-jersey versions at £63.

You will like the look but maybe not the price. Whereas once leggings seemed to cost only roughly twice the price of tights nowadays, unless a plain chain-store version suits you (and Marks and Spencer is still doing plain classic leggings for about £16 and its jodhpur versions for £19.99) the sky's the limit. However, for comfort they still beat the classic pair of trousers hands-down.

Lucia van der Post

## ADVERTISEMENT

### DESIGNER CLOTHES AT GIVEAWAY PRICES

A new book reveals how and where to buy designer clothes at up to 75% discount. This book is of vital importance to everyone interested in presenting themselves in the very best light at all times without having to spend a fortune. Here are a few of the tips covered in this *Designer Clothes Discount Guide*:

- Where to find original samples, including designs which were never sold to the general public and which are quietly sold off at cost prices.
- How to get cancelled and returned orders of designer clothes at steep discounts.
- What to look for when buying overcuts, which go at whatever price they will fetch.
- What to look for in seconds, some of which have nothing more than a drawn thread or a few missed stitches and then only apparent on close inspection.
- How and where to find surplus fabrics at a fraction of their original cost.
- How to get on a top designer's mailing list for end of season sales.
- 24 "permanent" sales shops where you can buy top designer clothes at large discounts all through the year.
- 4 important group sales events where you can purchase designer clothes at wholesale prices or less.
- 10 places handling designer fabrics at steep discounts.
- Where to buy Karl Lagerfeld, Ungaro, Gianni Versace, Giorgio Armani, Byblos, Valentino, Gucci, Christian Lacroix, Miyake, Ralph Lauren, Christian Dior, Frank Usher, Arabelle Pollen, John Galiano and many, many other top designer clothes for less cost than you could ever imagine.

Get all the facts. Order *The Designer Clothes Discount Guide* today direct from the publisher, and save. To order send name, address and the book title together with £9.95 (includes handling and despatch) to Carrell Ltd, Dept. DC3, Alresford, nr. Colchester, Essex CO7 8AF, allowing up to 21 days for delivery. You can return the book within 30 days for a full refund if not completely satisfied.

#### The Weekend Fashion Page

explores the statements people try to make about themselves in their dress and the functions of fashion in society. It also stays closely in touch with changing tastes and ideas about what it takes to look good and feel comfortable.

To advertise please call: Julia Carrick on 071 873 4664 or Genevieve Marough on 071 873 3185

The absolutely British issue

OUT NOW



FASHION

# The tailors who have reinvented British style

John Morgan looks at the innovative designers who have breathed new life into the Savile Row suit

A FEW years ago the outlook was bleak for the British tailor. The late Nicholas Ridley, then Minister of Environment and unable to understand why all men might not want to wear suits from Marks & Spencer, changed the rating system of the tailor's premises from light industrial to full retail status which threatened, either to put most of the West End tailors out of business or, at least, banish them to a shopping mall at Heathrow Airport.

Savile Row's quietly dwindling clientele appeared to consist mainly of large men from north America and small ones from the East. Young British men appeared to be perfectly happy to slouch around in shapeless suits, a couple of sizes too big for them. It seemed that the great British sartorial heritage of simple, understated, wool clothes that stretched back to Beau Brummel was doomed.

But gradually, increasing numbers of stylish young men could be spotted all over London sporting rather good, obviously British, clothes. These outfits encompassed the traditional British trademarks: a natural shoulder line, accentuated waist and a gentle flare on the hips. They were often made from tweeds and worsteds. But they were decidedly modern products from young tailors able to combine traditional tailoring techniques with a contemporary sense of style.

"Men had become very educated about fashion. Whereas once they would have invested in the security of a designer label, they began to have faith in their own sense of style and looked to a tailor to realise it," says Timothy Everest, prob-

ably the most successful and best known of the new tailors. From modest beginnings three years ago, he now boasts over 1,500 clients ranging from foreign advisers to John Major to television presenters. His bohemian atelier in a shabby, picturesque corner of Spitalfields is a quantum leap away from Savile Row.

"I love the traditions, the craft and the quality of the Row, but feel it's important to add something more modern, accessible, affordable and relevant to the way men live today," he says of his contemporary style.

His sentiments are echoed by Richard James, a designer who made his name creating exuberant ready-to-wear interpretations of British classic style and who operates a successful made-to-measure service from his shop in Savile Row.

"Tradition is wonderful, but it is not a sacred cow. The modern tailor has to appreciate how men's lifestyles have changed: they are used to wearing lighter, softer clothes and no longer need a 20 ounce tweed; they have given up worrying about wearing brown shoes with blue suits and love mixing unexpected fabrics, patterns and textures," he says. Georgina Godley, who switched from ready-to-wear to custom-making, feels the tailoring revolution has only just begun. "I love to break new ground by using modern high tech fabrics to create clothes that have the authority of tailoring but the comfort of sportswear," says Godley, whose more notable commissions include a stretch worsted suit with built-in spats, a prisoner-of-war boiler suit, a lavender bouclé and angora jacket and a multi-pocketed micro fibre

travelling jacket that can roll into a ball without creasing. Her prices start at about £900.

Even pop musicians, are starting to turn to tailors to create an image. "They like the idea of employing a tailor to create a look that won't be seen on other artists," explains Oswald Boateng, whose streamlined, futuristic, updated-Steved-like clothes are worn by Seal and members of what he describes as the "acid jazz scene", happy to pay the £500-£1,000 his suits cost.

All the tailors I spoke to sense a disenchantment with expensive designer fashion and say sensible pricing has contributed to their success.

"Men are looking for good value and service, at an affordable price and are questioning paying for high overheads and marketing campaigns. They know what they are paying for, when they order a suit," says Everest, who charges from £850 for a fully bespoke suit.

Richard James, whose suits cost from £850, says, "I do not know anybody who wears designer suits now. Men's dressing has returned to the idea of personal style rather than an imposition of somebody else's ideal."

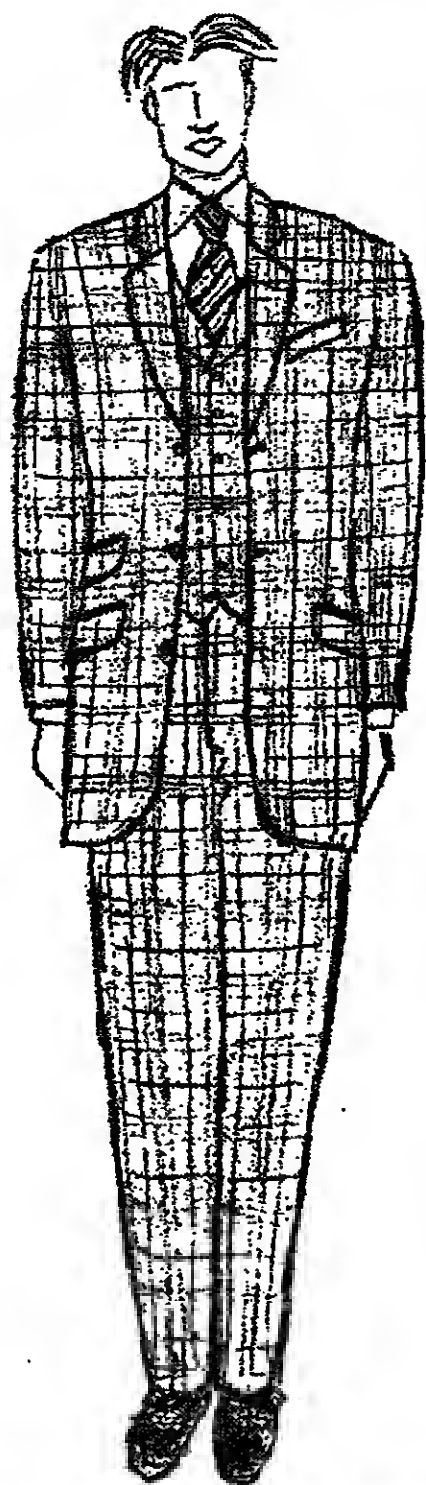
Both also admit they have been lucky with fashion's swing to a more shaped and slimmer silhouette for men: a look that is hard to achieve off-the-peg, unless you have a perfect figure.

However, like many trends, the new tailors include some charlatans and well-meaning individuals, who although big on ideas, often lack tailoring skills. Many never get the hang of measuring accurately, interpreting a fitting properly and appreciating the proper "balance" of a garment. Others

Affordable panache: new-style bespoke from Timothy Everest

promise a fully "bespoke" suit, but deliver a bad, factory-made pastiche of the real thing. You should therefore find out exactly what is on offer before you order. A real bespoke suit, made to the old method perfected in Savile Row, is built by hand from

complex layers of canvas, stitching and padding. It conceals a man's bad points and enhances his good ones. It should fit perfectly and be so comfortable that lesser garments feel clumsy by comparison. Below this ideal of the tai-



lor's craft, there are many levels of manufacture ranging from the perfectly respectable to the very depressing indeed. To avoid confusion, Everest offers two very distinctive levels of make: a bespoke service, which is "as good as you will find on Savile Row" and a City Line: an up-graded version of a basic City suit, which although machine-made, offers many of the nuances of bespoke such as real button holes, some hand-finishing and proper ermine linings.

This type of suit is less soft in appearance than the hand-made variety, and is proving popular with men who need well-priced, hardwearing basic suits for business. "There are a lot of men who would like to have clothes that reflect their personality, but who don't want the pomposity and expense of Savile Row," explains Serena Kelsey, whose hand-made bespoke suits start at £500 and whose peripatetic, made-to-measure service, has proved so popular that she has opened a shop, midway between the City and the West End. A similar company, Norton & Townsend, is also enjoying considerable success with its visiting service that offers a range of classic made-to-measure styles which are made-up in a factory in Yorkshire.

The renaissance of the British tailor is particularly remarkable as the success of its practitioners, most of whom work as small traders without any major backing, has coincided with the biggest recession in the fashion industry for years. In addition to an emphasis on good value, personal style and service, the new tailors are offering a quintessentially British style. James says: "The vast majority of our clients are British."

■ Timothy Everest, 4 Princelet St, London E1 5QH. 071-377-5770.

■ Richard James, 37a Savile Row, London W1X 1AF. 071-434-0605.

■ Georgina Godley, 071-727-2217.

■ Oswald Boateng, 274 Portobello Road, London W10 5TE. 081-964-1465.

■ Serena Kelsey, 58, Lambeth Conduit Street, London WC1N. Tel: 071-404-1616.

■ Norton & Townsend, 71 Bondway, London SW8 1SQ. 071-735-4701.

■ John Morgan is Associate Editor of GQ Magazine

## Soft, classic bridle wear

IF YOUR work-a-day wardrobe is up-to-date and what you need is a little sprucing up on the casual front, then it is worth knowing that Gieves & Hawkes, has produced a good collection of soft and subtle casual wear.

Gieves & Hawkes has taken "The Glory of the Turf" as its theme which has allowed it to indulge fully in a rich panoply of equine imagery of the sort that seems so to appeal to the English - classic riding and hacking jackets, once made in heavyweight 22 oz cloths to keep out the bone-chilling winds, are now reworked in soft lambswool. Overchecks are used in ways that co-ordinate with knitwear and shirts. Suits come in traditional birdseye fabrics or, for a bit of turn-of-the-century panache, Prince of Wales' checks. Colours are rich and autumnal. If, like me, you feel that horses are all very well in their place but you can live without their image on ties and socks and sweaters, then fear not, there are checks and Argyles, Fair Isles and plains.

If posh (or would-be posh) countryhouse visiting is on your agenda then these are the sort of clothes you need - just duff them up a bit so they do not look too new or too good.

Photographed here is a camel cashmere sports jacket (it also comes in navy) for £895, worn over a lavender roll-neck sweater in merino wool for £95 and pure wool dark brown trousers at £125. The lambswool/angora tartan scarf is £25. All from Gieves & Hawkes, No. 1 Savile Row, London W1.

Lucia van der Post



## DAKS WELCOME BACK

The more the English have tried to be like the continentals over the past years,

## A VITAL ELEMENT TO

the more the continentals have tried to be like the English. So now the 'English Look'

## CLASSIC ENGLISH TAILORING.

has returned, it's time to come back to DAKS - where it never went away.

## THE ENGLISHMAN.

EST. 1874 **DAKS** LONDON

FOR YOUR MOST CONVENIENT DAKS STOCKIST, CALL FREEPHONE ON 0800 288 188.





## HOW TO SPEND IT

# What the best-dressed walls are wearing

Lucia van der Post previews Decorex, the biggest and brightest interior decorating show that at last is open to one and all



Byron &amp; Byron's colourful curtain poles

IT HAS ALWAYS been a mystery to me that one of the UK's finest interior decorating exhibitions, Decorex, has traditionally been closed to its ultimate customers - the public.

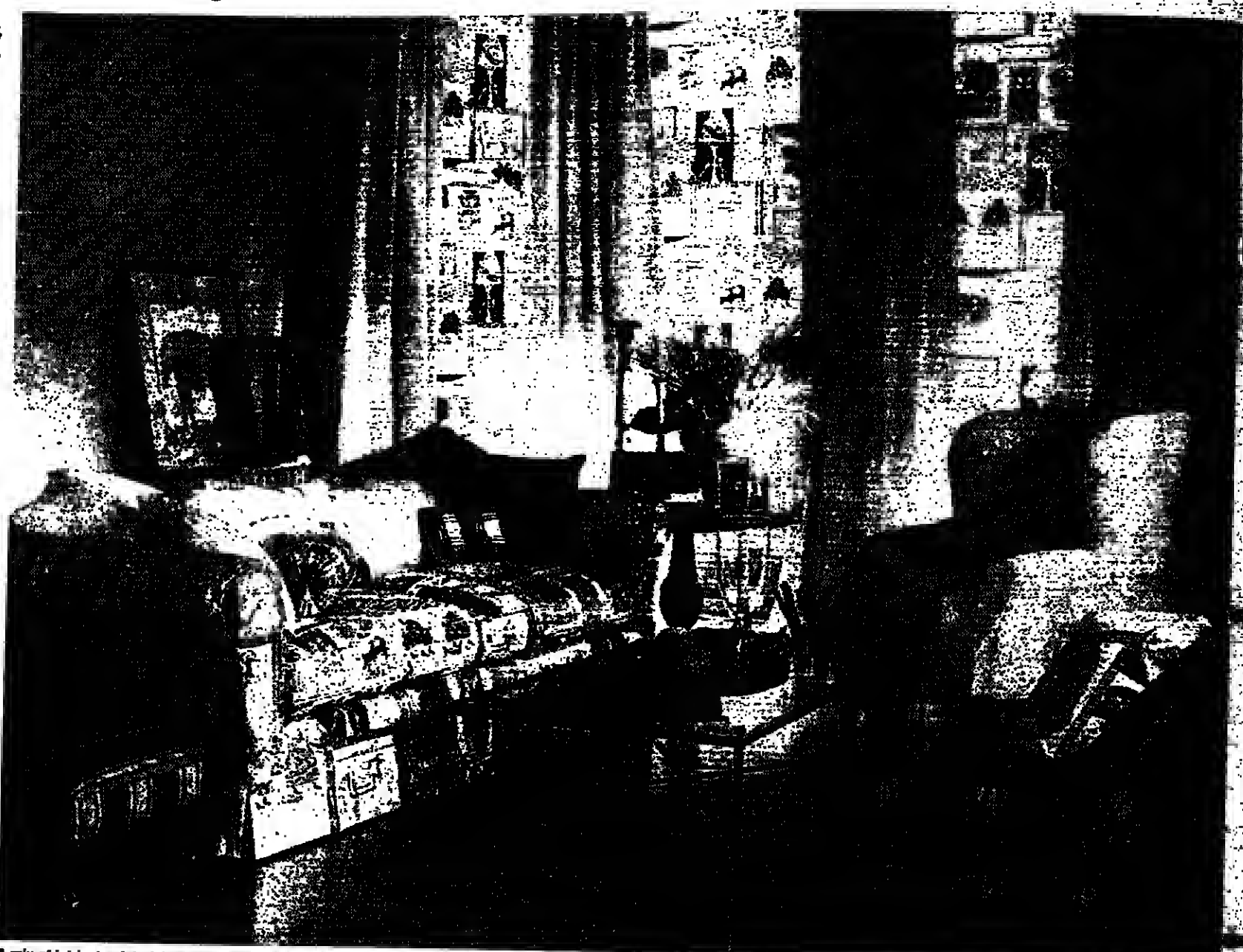
Rather as the glittery fashion shows are only accessible to those with impeccable credentials (in other words, those in the trade) so Decorex, where the latest in swags and chintzes, kitchens and designer bibelots is laid out before us, has always been open only to those in the interior decorating trade. This year, however, sense has at last been seen. Now those who long to attend what really is the best and easiest way of seeing a whole range of interior trends can for the first time do so.

Decorex is on at Syon Park, Isleworth, west London and though it opens to the trade today on the evening of Tuesday September 28 there will be a private view and champagne reception (sponsored by Perrier-Jouët) for anyone who feels it is worth the £20 ticket.

All proceeds will go to Shaftesbury Homes, a children's charity that helps disabled and disadvantaged children from inner city areas. Tickets can be reserved by telephoning Shaftesbury Homes on 071-720 8709.

What, though, I hear you ask, will be on view? Previewing an exhibition that has not yet happened is, as I have learned to my cost, a tricky business but if last year's show is anything to go by then the standard of taste, flair and exhibitors will be very high.

Here you should find the perfect opportunity to see which way the decorative winds are blowing, to catch up on the small and new companies that are doing original, idiosyncratic work, and to compare



A mix of intricate pictorial prints and Khasse checks from Jane Churchill's Indian Summer range

fabrics, colours, styles.

Decorex is also a good chance to find out what exactly an interior decorator can do for you. Traditionally the British have been wary of buying in the skills of interior decorators - whether from a sense of latent puritanism or a shortage of cash, it is hard to say - but interior decorating in this country has for too long been thought to have a faint whiff of transatlantic excess.

However, anybody who has ever tried it will have found to their cost that putting a house in order requires much, much more than a gentle dabbling in pretty paints and fabrics. It is usually very hard work. For every minute spent sifting through swathes of fabric, something like 50 has probably to be spent chasing up suppliers and sorting out the duller but infinitely more important practicalities: plumbing, heating, lighting and ventilation.

Interior decorators can take all this off your hands - for a fee, of course, and herein lies the rub. When prosaic matters such as cost are mentioned interior decorators as a breed seem to have a wonderful way of looking fey and conveying,

just ever so haughtily, a distinct reluctance to discuss such un-aesthetic matters.

This is where the IDDA (the interior decorators and designers association) can come in handy. It will have a manned stand at the show where advice will be dispensed - everything from how charges should be fixed to how to choose an interior designer and just what exactly he (or she) could do for you.

Those who cannot get to the exhibition can write to IDDA, Crest House, 102-104 Church Road, Teddington, Middlesex TW11 8PY, enclosing a 9in by 4in s.a.e. for a free informative leaflet on "why you should use an interior designer".

So what seem to be the current trends for the coming year? Two companies with a reputation for finely-tuned design antennae (Jane Churchill and Designers' Guild) have drawn on Britain's links with Colonial India for their new collections and each, independently, has arrived at the same name: "Indian Summer."

This, you should note, is the India of the Raj and the Maha-

rajahs, of silks and satins, of brilliant ochres and terracottas, sapphire blues and iridescent golds - not the peasant India of the rough-hewn tables and the simple block-printed cottons or Madras checks.

The Jane Churchill Collection, photographed above right and on view at Decorex, features a whole collection of Indian-inspired fabrics - from the spectacular mix of pictorial designs on the sofa, reminiscent of the school of Indian miniature paintings and called Indian Summer, to the Khasse check at the window, a heavy cotton linen blend in a choice of colours. Prices range from £18.50 to £29.50 per metre. Indian Summer sells for £23.50.

To go with the fabrics and the mood there is a collection of wooden and decorative accessories - from wooden pots and ceramic urns to carved chests, candlesticks, rugs and baskets. The collection is on sale now in all Jane Churchill shops.

Designers' Guild is not exhibiting at Decorex, but its Indian Summer collection, too, is already in its Chelsea shop (271-277 Kings' Road, London SW3). Photographed below left is a selection of its blue and white bedlinen (fine Egyptian cotton sheets with a blue spotted border, blue and white checked pillowcases and duvet cover and an appliquéd bed-cover) and some of its richly-coloured checked fabrics. The collection includes prints, woven silks, velvets and wallpapers, all clearly inspired by the art, textiles, architecture and history of India. Prices range from £15 per metre to £22 for the cotton velvets.

Finally, if you feel that all this sumptuously coloured fabric needs something special to set it off, consider Byron & Byron, a company specialising in what it calls "curtainalia" which has developed a wonderfully decorative range of finishes for wooden curtain poles (photographed top left). Using the Victorian technique of decoupage, in which cut-out shapes and illustrations are veneered on to furnishings and furniture, it has grafted a selection of paper finishes on to the poles. The result is colourful, original and indubitably different.

Prices range from £114 to £350 a set, depending upon design and measurements. Byron & Byron has a small showroom at 4 Hanover Yard, off Noel Road, London N1 8BB (tel: 071-704 9280). Also available from John Lewis.

## DECOREX INTERNATIONAL

1993

The Countess Mountbatten of Burma, President of Shaftesbury Homes, requests the pleasure of your company

A PRIVATE VIEW

and

CHAMPAGNE RECEPTION

Champagne Perrier-Jouët

A unique opportunity to see the very best and latest in furnishing fabrics, furniture, floor and wall coverings, lighting and decorative accessories, all in the glorious surroundings of the London seat of the Duke of Northumberland.

A charity evening in aid of

SHAFTESBURY HOMES &amp; ARETHUSA

150th Anniversary Appeal

Tuesday, 28th September 1993

6.30 - 8.30 pm

at

SYON PARK

Isleworth, Middlesex

by kind permission of the Duke of Northumberland

Tickets £20

Ticket Reservations: Shaftesbury Homes, Tel: (071) 720 8709  
Major credit cards accepted

(free car parking)

CITY AND COUNTY OF HONOLULU

Sections 445-21/38 13-16

Causes cancellation of Exhibitions and Sales of

## ORIENTAL RUGS

Originally scheduled for showing at Sheraton Waikiki Hotel, has now been irrevocably cancelled and will now be sold by

## PUBLIC AUCTION

IN LONDON THIS WEEKEND

CHK Ltd, acting as fiduciary agents for the Importers have now been instructed to liquidate over 200 carefully selected Persian, Afghan, Chinese, Indian, Roman, Turkish and Caucasian carpets, rugs, runners and rounds in all sizes, including extra large in silk and wool for immediate cash realization.

Saturday, 25 Sept and Sunday, 26 Sept.

THE CHESTERFIELD HOTEL

35 CHARLES STREET, LONDON W1

TEL: 071 491 2622

2.00 pm Viewing - 3.00 pm Sale

Terms: Cash, cheque with ID, Visa, MasterCard, 10% buyer's premium.  
AUCTIONEERS NOTE: This most unusual set of circumstances creates a unique opportunity for Collectors, Investors, Dealers and the General Public to acquire extremely rare and unusual, new and antique, silk and wool Oriental carpets and rugs. Auctioneer: CHK Ltd, 112 Regent Street, London W1A 2JJ.



TITCHMARSH &amp; GOODWIN

of IPSWICH

for the very finest in English Cabinet-making

Telephone: (0473) 252158

Facsimile (0473) 210948

## AT AQUASCUTUM WE GIVE YOU MORE CHOICE WHEN YOU WANT TO SUIT YOURSELF...

What's more elegant than a suit superbly cut.

Made from the finest fabrics and styled with

perfect simplicity you'll have a look that's

designed to display the best of modern

classicism. See our new collection of

luxury accessories, silk ties and

crisp cotton shirts. Relax in The

Seasons Café - our latest addition,

where you can meet friends for

morning coffee, a light lunch or

afternoon tea. For free brochure call

0800 - 382922.

100 Regent Street, London W1A 2AQ

## Only 150 in the world...

To celebrate their 150th

year as The Crown Jewellers,

Garrard invited Patek Philippe -

arguably the world's finest

watchmakers - to make exactly

150 'Anniversaire' watches in

18 carat rose gold.

Each watch, which

took 8-9 months to make,

is a certified chronometer

and is exceptionally thin

despite its self-winding

movement and water-resistant

case. The face is of rose

coloured-gold.

The Patek Philippe Garrard

'Anniversaire' watch, in a limited edition of 150, with

certificate of authenticity: £7,950

Voyage to the end of Time - an exhibition at Garrard

of superlative timepieces by Patek Philippe

28th September - 8th October 1993

GARRARD

FOR 150 YEARS

112 Regent Street, London W1A 2JJ Tel: 071-734 7020 Fax: 071-439 9197

I wish to order one Patek Philippe 'Anniversaire' strap watch from

a limited edition of 150. I enclose payment of £7,950

Name: \_\_\_\_\_

Address: \_\_\_\_\_

I enclose a cheque for £ \_\_\_\_\_ or please debit my Amex/Visa/

Access/Other Club (delete as necessary) the sum of £ \_\_\_\_\_

My number is: \_\_\_\_\_ Expiry date: \_\_\_\_\_

Signature: \_\_\_\_\_ Daytime Tel. No: \_\_\_\_\_

Please send coupon and payment to: The Watch Department,

Garrard &amp; Co. Ltd, 112 Regent Street, London W1A 2JJ

## FREE GUIDE TO FINDING THE RIGHT ORIENTAL RUG - AT THE RIGHT PRICE

Did you know you could save 30-35% by buying direct from the world's clearing house? My 24 page guide tells you how. And how to spot the real McCoy, dealer's and don'ts, the inside story on 'investment', auctions etc. etc.

Phone or fax 0275 232609 or write to: South Wales, The Llanelli Hotel, Church Street, Llanelli, SA14 5YB. International Brokers' estate, 1972.



# HOW TO SPEND IT

## Ski rivals jostle for supremacy

Arnold Wilson previews the start of the new season on the pistes

**T**HE HAILSTONES were so big I could have gone cross-country skiing in my garden in Richmond, south west London, on Wednesday night. Is this a good omen for a season full of snow? I must ask my neighbour, television weatherman Michael Fish.

Certainly the season has arrived - in fact it has been steadily arriving ever since the first brochure was sent to rather less than eager readers before last winter was even over, I seem to recall. Did last winter ever really end?

Neilson's early brochure landed on my desk in London while I was still skiing on last winter's snow. I could hear the thud from Varbler. On the other hand, some operators' "early hooking brochures" came out so late that they had hardly reached the client's doormat before the "main" brochure arrived with a clatter on top of it.



Hoping for a white - and not too crowded - Christmas...

Crystal has incensed Thomson this year by proclaiming the company as Britain's "biggest and best ski specialist" and "offering the UK's biggest ski programme". Crystal adds that the 260-page brochure features more resorts (105 in 10 countries), more regional airports (13) and more fully-catered chalets (131) than "any other operator".

Thomson's brochure has a mere 195 pages, covering around 70 resorts. However, having a bigger brochure does not mean Crystal will sell more holidays than Thomson. Do not expect Thomson to be dethroned from its position as brand leader.

Between them, Thomson and Crystal have more than 400 photographs of skiers skiing in their brochures. So it is intriguing that Finlay's Chalet Holidays has produced the (almost) impossible: a ski brochure with only one picture of a skier skiing in it - and a tiny one at that.

In Italy, where a good rate of exchange is helping a skiing renaissance, and North America, where the likes of Vail and Breckenridge, Colorado (with a new fourth mountain, Peak 7, to show off this winter) and Whistler and Banff/Lake Louise are selling well.

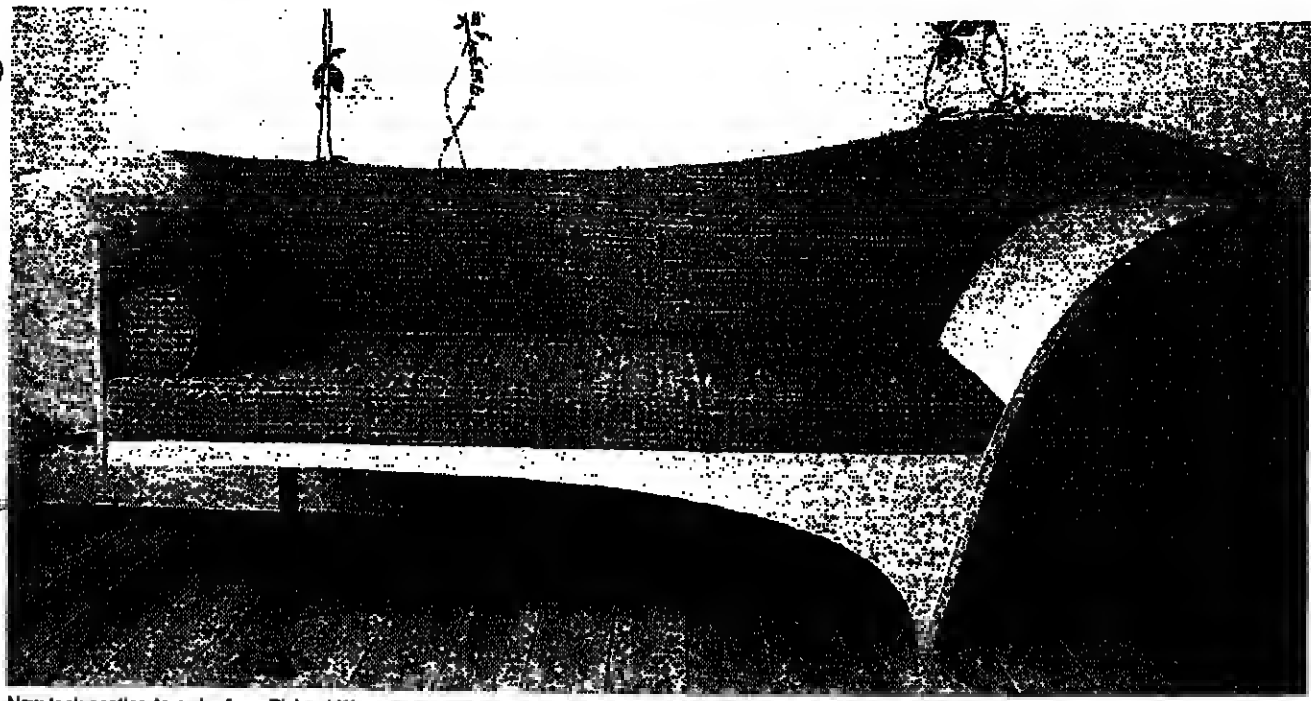
Alpine Answers, the new kids on the ski specialist travel agent block, suggest that Italy's gain is Austria's loss, with an increase in bookings to Cervinia, Livigno and Sauze d'Oulx, "where the apres ski is less expensive than in similar Austrian destinations."

According to Hilary Jackson, high-altitude French resorts may also be taking a share of skiers whose usual haunt is Austria. This would narrow the gap still further between Austria, which in Britain always outsells the other ski nations, and its traditional rival, France.

The two countries might even end the season neck and neck, in spite of on-going jokes about the size of French apartments and the lingering Gallic shrug.

Safety is a big issue this year, the bloodcurdling way in which some people ski is alarming many skiing fans. After nine British fatalities on the slopes last winter, skiers are being urged to slow down, drink less at lunchtime and be more thoughtful about other skiers on the mountain.

In a survey last month almost half of the Association of Independent Tour Operators (AITO) 37 ski operators urged that separate areas should be set aside for snowboarders. And 80 per cent of them called for a package of measures including more piste patrols, with powers to confiscate lift passes from dangerous skiers, slow skiing areas and clearer piste marking. Sue Ockwell, AITO's chief executive, says: "The aim should be to reduce accidents on the slopes to an absolute minimum."



New look seating to order from Richard Ward - designed so that you can lounge at one end and sit upright at the other

## Are you sitting originally?

**F**OR SOME TIME now furniture and interior designers have been exploring the world of myth and legend, using symbols and imagery from astronomy and alchemy, from fairy-tales and fables. Designers such as Paolo Guzzi and Katherina Harlow explore the metaphysical world of the Renaissance mystics, while the style of the French designers Bonetti and Garouste is heavily laced with references from the realm of primitive myth.

Tim Chitty and Simon Bacon, too, love delving into themes from ancient myths and legend but they apply it thus far in a small, though admittedly important, area - chairs. Their small design making production company is called "Chairs" and it specialises in... yes, chairs. All are produced in limited editions, all are traditionally made by hand and all are filled with references to myth and legend. Photographed right is Medusa. Medusa is made from an ash frame and velvet or hand-painted suede is used for the upholstery. Pictures of Medusa come with a little caption of soft-sounding words - "The Source/First born/bearer of dreams/ the softness of sleep/the bane of content. Quite what that all means I'm not entirely sure but it sounds harmless enough, if



Medusa: takes the dining dilemma by the horns

a little potent for a mere dining chair, however original, to carry.

But I have to admit I like the chair. It is an original, yet functional and practical, solution to the problem of the dining chair and a welcome change from the staid ranks of Provencal, pseudo-Chippendale, heavy Victorian or steely modern that more frequently grace the contemporary dining room.

If Medusa doesn't seem quite YOU there is always Hecate which has a back topped by a huge crescent moon. Or what about Achilles - or Inducement...

All the chairs are hand-made to order only, and orders take between four and six weeks. Chairs are at 10a George Road, Guildford, Surrey GU1 4NP but for those going to Decorex at Syon House next week the range can also be seen on the Bosanquet Ives stand there.

Still in an utterly contemporary mood, Richard Ward's sofa, upholstered here in a new Firiss Contemporary Textiles fabric (Capella from the Columbia range, £42 per metre), has a laminated birch ply frame with a maple veneer and is made to order only. Contact Richard Ward at his workshop at 73 Graham Road, London E8 1BX, tel: 071-729-6768.

Lucia van der Post

# ESSENTIAL HOME

### CHILSTONE

Garden Ornaments and Architectural Stonework, including urns, bird-baths, benches, fountains and statues.

Visit our Beautiful Show Gardens Open Mon - Friday and Sunday

Catalogue available price £5

Springle, Horsmonden, Kent, TN12 8DR

Tel: (0893) 723266

### David J. Wilkins

PERSIAN AND ORIENTAL CARPET BROKERS. WHOLESALE AND EXPORT, VALUATIONS AND REPAIRS

**IMPORTANT ANNOUNCEMENT**

We would like to assure all our customers that our normal prices direct from London's Warehouses are cheaper than any seasonal 'Sales' or 'Mock' Auctions anywhere in the Country and will remain so throughout 1993. Let us guide you around the largest selection of rugs in England at genuine wholesale prices, without obligation or fee.

**VISIT LONDON'S BONDED WAREHOUSES BY APPOINTMENT**

Brochure on request

Tel: 071 722 7608 (24hr. answering service)

Fax: 071 483 0423

27 Princess Road, London NW1.

As featured in Lucia van der Post "How to spend it"

### KINGCOMBE SOFAS

Sofas and chairs constructed for you. Unrivalled comfort and proportions for upholstered furniture.

302-304 Fulham Road, London SW10 9EP

071 351 3998

32 page colour brochure £3

### ARTHUR BRETT

Fine English Furniture

Superb mahogany circular dining table with 4 extension leaves, diameter 60" extending to 81" to seat 10 people. Other sizes available. For further information and colour brochure contact

ARTHUR BRETT & SONS LTD.

1 Holliston Park Road, Haysdon High Road, Newich NR10 5JR, England

Telephone: (0453) 486533 Facsimile: (0453) 788781

### Melin Tregwynt

"Throw away the duvet, forget the polyester pillow. Get out the feather bolster and the Welsh wool blankets, for those really snug nights between the sheets."

(Full James for the FT Weekend, March 1992).

Who can argue with that? For information on their stunning collection of blankets, bedspreads and throws, in pure new wool, please call Melin Tregwynt on 03485/644.

Catalogue £1.00, redeemable against your first purchase.

### Kensal

BEAUTIFUL PERIOD STYLE ELECTRIC FIRES

ENGLISH AND FRENCH DESIGNS

FREE COLOUR BROCHURE

0789 470473 (24 hrs)

### HADDONSTONE

The Westbury Um - just one example from the Haddonstone Collection of fine cast stone urns, troughs, statues, fountains and balustrading.

Traditional English quality and classic designs from the masters of ornamental stonework.

Full colour 108 page brochure, £5.

Haddonstone Ltd, The Forge House, East Haddon, Northampton, NN6 8DB

Tel: 0604 770711 Fax 0604 770027

Or see us at Decorex, stand F172.

### DIVERTIMENTI

Divertimenti launch a brand new catalogue of professional quality crockery and tableware for people who live to cook.

If you enjoy quality, design and individuality, simply telephone 0252 861 212 for a free copy.

Cook CDAB

### Sottini

Sottini bathrooms come in a wide selection of designs and styles. Start to plan your luxurious new bathroom by sending for brochures from Sottini, P.O. Box 60, Kingston-upon-Hull HU5 4JE or call Freephone 0800-591586.

### LANDSCAPED GARDENS

For a first class design and construction service for your garden, Soft Rock Landscapes can offer reliability and quality that is guaranteed.

**Soft Rock LANDSCAPES Ltd**

A member of the South Association of Landscapers

TEL: 081-336 0337

### ESSENTIAL HOME BROCHURE GUIDE ORDER FORM

Please tick the appropriate boxes for the brochures you would like to receive, enter your own name and address and then send or fax this coupon to the address shown. Replies must be received no later than 3rd November 1993.

1) Chilstone .....	<input type="checkbox"/>	£3.00
2) David J. Wilkins .....	<input type="checkbox"/>	
3) Kingcombe Sofas .....	<input type="checkbox"/>	£3.00
4) Arthur Brett & Sons Ltd .....	<input type="checkbox"/>	
5) Melin Tregwynt .....	<input type="checkbox"/>	£1.00
6) Robert Malcom Manufacturing (Kensal) .....	<input type="checkbox"/>	
7) Haddonstone .....	<input type="checkbox"/>	£5.00
8) Divertimenti .....	<input type="checkbox"/>	
9) Sottini .....	<input type="checkbox"/>	
10) Soft Rock .....	<input type="checkbox"/>	
11) Insublind .....	<input type="checkbox"/>	
12) Trevi .....	<input type="checkbox"/>	
13) Designers Guild .....	<input type="checkbox"/>	£2.00

TITLE ..... INITIAL ..... SURNAME .....

ADDRESS .....

POSTCODE ..... DAYTIME ..... TELEPHONE .....

For any catalogues that require payment, please make cheques payable in Sterling or correct equivalent currency, to The Financial Times Ltd. and send with this reply coupon to:

**WEEKEND FT ESSENTIAL HOMEBROCHURE SERVICE**  
(Ref 16/92) Capacity House, 2-6 Rothsay Street, London SE1 4UD  
London SE1 4UD Fax No. 071-357 6065

For more information on the next Essential Brochure Guide, please contact James Burton on 071-873 4677

Addresses supplied by readers in response to this guide will be retained by the Financial Times, which is regulated under the Data Protection Act 1984.

### insublind

- Seals out drafts and cold
- Reduces fading of fabrics
- Ideal for sash and period windows
- Crystal clear, it does not alter the look of your window
- Simply rolls up out of sight for window opening/cleaning

For more information and/or our brochure London & SE 081-534 4073 (24hrs)

All other areas 0282 443 348 (8am-10pm)

or write to Insublind, Freeport, Colne, Lancashire BB8 7BR.

### TREVI SHOWERS

"To start you thinking about a new shower, Trevi Showers will be delighted to send a copy of their latest brochure."

P.O. Box 60, Kingston-upon-Hull, HU5 4JE

Freephone 0800-590203

### DESIGNERS GUILD

An inspirational collection of contemporary and classic sofas, chairs and ottomans from Designers Guild, available in the fabric of your choice.

A total of 35 pieces, hand produced by a select team of craftsmen, are available through Designers Guild stockists nationwide.

Price £2.00

### On Saturday 13th November Lucia van der Post will be covering INTERIORS on her extremely popular "How to spend it" page.

It may surprise you to know that the Financial Times has a higher proportion of AB readers in the U.K. than any other quality newspaper who:

- have had any interior decorating or design work in the last 12 months.
- have spent £2,000+ on kitchen improvements in the last 3 years.
- have spent £500+ on bathroom improvements in the last 3 years.

With an estimated worldwide readership of one million the Weekend FT can offer you some exceptional advertising opportunities.

For more information about advertising, please call James Burton on 071-873 4677 or 0773 1222



## BOOKS

# Totally mad about otters

J.D.F. Jones on the life of Gavin Maxwell

**D**O PEOPLE who love animals exceedingly — have something wrong with them? My question may seem mischievous, but it is likely to occur to readers of this superb biography of Gavin Maxwell, "the other man" of the 1960s. Crusty old Wilfred Thesiger, that uncompromising Arabian explorer, who once took Maxwell on a journey to the Marsh Arabs, evidently had his doubts about his companion: "Personally I think if people go to extremes where animals become more important than human beings, then they ought to be locked up", he opines, recalling what he described as Maxwell's hysterics over the death of an otter cub they had had for less than a week.

Gavin Maxwell certainly had his problems. He was a grandson of the Duke of Northumberland, a Percy on his mother's side, with a childhood to guarantee neuroses ahead. He never knew his father, slept in his dotting mother's bed until he was eight, enjoyed a solitary and idyllic early childhood in the Scottish Lowlands, was traumatised, according to the pattern, by prep school, and suffered a serious illness in his teens.

He was thereafter an explorer (on a modest scale), one of the best shots in Britain, a wartime instructor in the SOE, a shark-hunter off the Highlands, a society portrait painter — and one of the finest nature writers of this century. He was homosexual; he drank, and smoked, very heavily; he seems to have been a manic depressive. He must have had great charm, though he was also disliked by some people for his arrogant manner. His financial affairs were undisciplined. He died, of cancer, at 55.

And he loved animals. Douglas Botting's thesis, though he does not insist, is that he was

emotionally atrophied, "for ever an adolescent in his attitude to the adult world, his sexual relations and his interests and enthusiasms". A male friend describes him as "two different people — the respectable public figure (the aristocratic painter, author, ex-Guards officer and member of learned societies) and the less respectable private one (the homosexual, the outlaw, the fearful, repressed, inhibited inner man)". The externalisation of his emotional life led to

**GAVIN MAXWELL**  
by Douglas Botting  
HarperCollins £22.50, 385 pages

a mistrust of relationships with adults, so that he only felt safe in the animal world, the natural world.

"This is the world in which he will always be remembered. As Mr Botting puts it, correctly, "Gavin Maxwell was to others what Joy Adamson was to lions, Dian Fossey to gorillas, Jane Goodall to chimpanzees and Grey Owl to beavers". (Which goes some way towards the first sentence of this review.)

He came to otters by accident. After the success of his first book, *Harpoon at Venture*, in which he described the disaster of his post-war attempt to hunt the Basking Shark in Scottish waters, he went off to the Gulf with Thesiger where he produced a very fine travel book called *A Reed Shaken by the Wind*. There he discovered otters, and brought Mijbil back to his remote cottage near Mallaig, opposite Skye, soon to be immortalised by him as "Camusféarna".

*Ring of Bright Water* came out in 1960 and was a colossal best-seller. Why? Partly because it was so well written, partly because it offered escape. It arrived at the begin-

ning of the 1960s enthusiasm for the Good Life; in more respectful language, it coincided with a new interest in alternative life-styles and anticipated what we today call the New Age movement. In Maxwell's words, "I am convinced that man has suffered in his separation from the soil and from other living creatures of the world; the evolution of his intellect has outrun his needs as an animal."

Hence the popular fascination with the story of a man who goes off to live on a northern sea-shore in a remote house with no mod. cons., makes best friends with an otter, and then writes about his fun and games — and sadnesses — with these simple creatures.

It was never, of course, as simple as it sounded, as Maxwell always emphasised. The success of the books in itself destroyed the integrity, and the seclusion, of "Camusféarna". And otters were not the only friends. There was the poet Kathleen Raine, for example, still happily with us today, who conceived a grand infatuation for the handsome but unresponsive Maxwell; she comes out of this book as a self-regarding witch (and also a very bad poet). Her obsession with Maxwell is no joke because he half-believed in her "powers" and when he discovered she had laid a curse on his life he was ready to believe he had been destroyed. There followed a terrible sequence of tragedy: the otters turned savage, there were financial disasters, "Camusféarna" burned to the ground, and in 1969 he died.

Botting, who knew Maxwell for the last 12 years, never forgets that the books are what matter. After *Ring of Bright Water* (a line taken from one of Ms Raine's poems) there were *The Rocks Remain* and *Haven Seek Thy Brother*. He also wrote two excellent books



about Sicily, and *Lords of the Atlas*, a superior historical study of Morocco, a country he used to visit to indulge his wilder tastes.

Botting is discrete about the homosexuality and explains that he is respecting the wishes of the estate. He has the sense to caution that this might have the effect of exaggerating the importance of the female relationships, which he feels able to describe more can-

didly, including a sad marriage. (There is one wonderful misprint or mishearing where Ms Raine, in full poetic flood, describes Maxwell as "the poor Eternus". As a Jungian, she presumably said *Puer Aeternus*.) Throughout a long but never exhausting book Botting writes beautifully, except for a very occasional tendency to overreach himself.

He assures us that there are still otters at Sandaig (as

"Camusféarna" is known on the maps), though the landscape has changed. Apparently the new bridge to Skye will destroy Kyleakin Island, where Maxwell took refuge for his last year. All his life he knew that he was in search of Avalon, where he might hope to heal Tennyson's grievous wound. Perhaps, for just those first years with the otters, he found it.

# Driven by destiny

**T**OLSTOY'S two great novels are so central to our culture that they have overshadowed his shorter fiction such as *The Kreutzer Sonata*, *A Bishop-Marker's Notes*, a tale about gambling fever, *Strider*, *The Story of a Horse* and dozens more fine stories. The shorter fiction of the Colombian-born, Nobel Prize-winning writer Gabriel García Márquez should not be allowed to suffer from a similar eclipse. He too works just as powerfully on a small canvas as a large one.

Márquez's epic narrative of his own people, *One Hundred Years of Solitude*, was his attempt at writing a *War and Peace*; his most recent novel to

in a Geneva hospital, the ambulance driver whom he meets on a preliminary visit and who becomes his friend, a fellow-countryman. This proves to be a loaded phrase. The man and his young wife are hoping to make a broker's turn on the financial arrangements.

Indeed throughout this macabre but memorable collection we are never far from the graveyard. "Maria dos Prazeres" is an elderly white in retirement in Barcelona who identifies with those who died the names of the anarchist leaders killed in the Civil War on the anonymous tombstones. She is training her dog to wag over her own grave when the time comes.

In "Trail of Your Blood in the Snow" the wealthy young Spanish bride has a cut on her wedding-ring finger that will not heal. By the time she and her husband, who picked her up on the beach a week or two earlier, have driven through the night to Paris she has all but bled to death.

Equally bloody is the tale of the epistolary governess in "Miss Forbes's Summer of Happiness". She is found one morning by her young charge — with whom she has been so punitive — dead in bed from multiple stab-wounds. In "Only Came to Use the Phone" a Mexican-born music-hall artist's car breaks down in the desert while she is on the way to rejoin her husband in Barcelona. She thumbs a lift from a coach full of strangely passive women. It stops at a country mansion where they disembark. The women, mental patients, are being admitted as new inmates of a residential home staffed by warder-like nurses. The unfortunate motorist is doomed to spend the remainder of her life in this virtual prison.

Tales like these have overtones that grimly resonate in the modern consciousness. We witness the way certain individuals seem singled out for a destiny as cruel and senseless as it is unmerited. If your preference is for stories that radiate a measure of *jolie de vivre*, the kind that, say, Katherine Mansfield once wrote, then you should stay away from Márquez.

The nearest we get here to a glimmer of humour from him is in "Sleeping Beauty" where the Latin-American narrator cannot believe his good fortune. He has been seated in the aircraft next to the beautiful young woman travelling on her own. He had eyed her covetously, silently, in the airport lounge at Charles de Gaulle during a long delay.

After take-off she hangs a notice saying "Do Not Disturb" around her neck and falls instantly asleep. On arrival in New York she wakes up as the plane lands. The only words she speaks to him are "Goodbye" in Spanish. Destiny up to its tricks once again. In the world of Márquez it never ever does one a favour.

**STRANGE PILGRIMS:**  
Twelve Stories  
by Gabriel García Márquez, translated by Edith Grossman  
Jonathan Cape £14.99, 188 pages

be published in Britain, *The General in His Labyrinth*, about a revolutionary soldier whose finest hour he wasted. Márquez comfortably accommodates himself to the confines of an average-length novel: in this latest book, *Strange Pilgrims*, twelve stories, translated from the Spanish by Edith Grossman, Márquez commands our rapt attention through stories some of which are only a few pages.

They were written over the past 15 years, the fruits of the writer's experiences while residing abroad. Some have appeared in an earlier form as articles, film or television scripts. All 12 were re-written within the last few years and the collection was conceived as a unity. We travel from Barcelona to Rome, Paris, Geneva, cities seen in that same pitiless light, exposing both the mean and the miraculous, that illuminated the Colombian jungle and the Andean towns and villages of his longer works.

The characters are mostly Latin-American exiles. By living abroad they have escaped from oppression but not from a destiny that is driving them towards their often premature deaths. Sometimes the death-sense comes to them in the form of a dream or apparition; at other times it is couched in a phenomenon of nature like that land wind that attacks the Spanish town of Cadaqués in summer. In "Tramontana" — the story named after it — the young night-club singer from the Antilles recognises in it the portent of his own imminent death.

It was a Caribbean certainty that could not be understood by a band of Scandinavian rationalists aflame with summer and the hard Catalan wines of those days, which sowed wild ideas in the heart. In "Bon Voyage, Mr President" the ex-premier of a Caribbean island living in exile in Switzerland has just as acute a sense of his own mortality but with greater reason. He awaits a cancer operation

**C**AN children's information books be as attractive, as authoritative and as quick and easy to use as the kinds of information that can be obtained from a computer at the touch of a button? One British publisher that has certainly risen to these challenges is Dorling Kindersley, which specialises in publishing information books, usually in large formats, that integrate text, colour photography, and both traditional and highly sophisticated graphics.

This autumn it publishes *The Bird Atlas* (£12.99), a continent-by-continent guide to the world's birdlife, the latest in a series of pictorial atlases for children of eight and above, and *The Dorling Kindersley Science Encyclopedia* (£25), which manages to make scientific subjects seem both intellectually challenging and readily intelligible. Again, an excellent array of different kinds of illustration helps to bring life to the subjects under discussion: computer graphics and

## FT Children's Book of the Month Inside a man-of-war

aerial photography, for example. Neither of these titles, however, quite matches in excellence Stephen Biesty's *Cross Section: Man-of-War*. Stephen Biesty's first book, *Incredible Cross-Sections* (£12.99) was published last year. It was a large-format picture book of a very unusual kind. Having first made careful studies of architectural plans and drawings Biesty sliced through the middle of 18 buildings and machines — the *Queen Mary*, the Empire State building, the *Flying Scotsman*, a tank, and Covent Garden's Royal Opera House, for example — in order to reveal their inner workings. Over a sequence of double-page spreads (two of these spreads had fold-out pages, which

**CROSS SECTION: MAN OF WAR**  
written by Richard Platt,  
illustrated by Stephen Biesty  
Dorling Kindersley £12, 32 pages

meant that the illustration of the cross section of the *Queen Mary* was almost one metre in width), we see what goes on inside the buildings; we see how the building or machine was made; and we also see how it was used: on board the *Flying Scotsman*, for example, we glimpse an extraordinarily dignified gentleman in a waistcoat squatting on a tiny lavatory, trousers round his ankles. This

method of presentation yields up a mass of fascinating technical information; and, simultaneously, it demonstrates what it must have felt like to travel on the *Flying Scotsman* in the 1930s.

Biesty's new book concentrates on a single subject: a British man-of-war of the late 18th century (it is based on Nelson's flagship, *HMS Victory*). Spread by spread, he brings to life how the boat functioned as a war machine, what went on in every room and deck, and how it was used: on board the *Flying Scotsman*, for example, we glimpse an extraordinarily dignified gentleman in a waistcoat squatting on a tiny lavatory, trousers round his ankles. This

the ship so that we see it from the inside, deck by deck. Every full-page illustration is crisscrossed with the minutest details of life on board with fascinating incidental information on the opposite page, all linked to something that can be glimpsed in the picture. Under "Navigation and Discipline" we read of "shot rolling", for example: "Ships on the verge of mutiny were known to the navy as 'shot rolling ships'. This was because discontented crew members tried to knock unwary officers off their feet by sending cannon balls rolling along the deck."

Biesty and his partner Richard Platt (who contributes the excellent text) has brought the punishing regime on board a 100-gun man-of-war alive in a way that will make history seem as vivid, fascinating and contemporaneous as the latest computer game.

Michael Glover

## To preserve, not destroy

**T**O SAY that war is a continuation of politics by other means is like saying divorce is a continuation of marriage by other means. Nonetheless the great military theorist Carl von Clausewitz said exactly that. Indeed it was a central tenet of his book on War (1832), which became the sacred text of generations of German staff officers.

Clausewitz's advocacy of total war, involving vast, indoctrinated "citizen" armies which could only be raised by conscription, lay at the heart of the Schlieffen Plan, and of Hitler's *Wehrmacht*.

Understandably, no serious commentator on war has been able to ignore Clausewitz, and most have succumbed to his thrust. Among such commentators the historian John Keegan stands pre-eminent. His past publications, including *The Face of Battle* — a hugely absorbing reconstruction of Agincourt, Waterloo and the Somme — have altered and enriched our perception of warfare as something hideously logical in its detail. Now comes *A History of Warfare*: not just his latest offering, but a summation of much that has gone before, and Keegan's attempt to secure for himself at least a

separation from the Prussian genius.

War, he proposes, has quite as much to do with culture as with politics, at least in its origins. And just as there are different kinds of culture, so

**A HISTORY OF WARFARE**  
by John Keegan  
Hutchinson £20, 432 pages

there are different kinds of warfare. Keegan identifies four historic phases of warfare, which he calls Stone, Flesh, Iron and Fire. Each refers to a primary combat resource — in the case of Stone, horses. And while these provide him with the thematic chapter headings needed to make sense of six millennia of armed conflict, between chapters he conducts mopping up operations ("Incursions") that account for the "limitations of warfare" (mainly the weather and terrain), fortification, armies and logistics.

Although the whole book swarms with brilliant analysis and a command of history unrivalled among military writers, it is the earlier sections of Keegan's lengthy rumination that are the most satisfying. He casts his net very wide. Not only does he examine warfare among the Samurai, the Zulus, and the Mamelukes of Egypt, but, guided by

anthropologists, he explores the Yanomano, the Maring and the Aztecs. He also offers an explanation for the disappearance of the Easter Island civilisation.

What he finds among these examples is that warfare, while limited by such materials as were available, also limited itself. Conflict and combat were ritualised. Tribal people, aware of survival values as few of us living in comfortable urban homes can be, sought to contain, not to exploit, the damage to life that can be done by even the most rudimentary weapons. War therefore was practised in harmony with the greater needs of the societies it protected. Among the Polynesians of Easter Island such controlled conduct maintained an extraordinary culture for several centuries. It was only when the islanders began disregarding their own taboos, and elected instead for war to the bone, that their society was wasted.

As this was happening, across the Pacific the Japanese, in a startling renunciation of seemingly superior technology, opted to dispense with the gun. Although the samurai had an obvious interest as a privileged class in keeping to the way of the sword, a generalised apprehension of the consequences of powder and ball informed Japan's decision.

In these contexts,

Clausewitzian true, or all-out war becomes merely a type of warfare specific to some cultures only, if not in fact an aberration. Keegan's problem however is twofold. As he journeys through time toward the 20th century, it is the Prussian mode that comes to dominate all others, not just in the West, but globally. Secondly, as he journeys forward, the more difficulty he has in deciding which wars to discuss, and which to leave alone. There are just too many of them.

But Keegan's actual selection does not help his cause. Guerilla, or people's war, generally gets short shrift. Vietnam is dismissed in less than a page, and there is nothing on Nicaragua, El Salvador or Guatemala. Equally odd is his failure to isolate and debate intelligence-gathering as a primary component of warfare — unlike, for instance, Sun Tzu writing in the fourth century B.C.

Today, although guerilla warfare is likely to persist as a means of waging armed struggle against unequal odds, and although weapons of mass-destruction must inevitably keep alive the possibility of total war in the future, the trend is toward surgical warfare: a synthesis in fact of air-power, long-range missiles, commando tactics and, of course, intelligence.

So the wheel comes full circle in Keegan's favour. It does appear that, wittingly or otherwise, we are rediscovering the fundamental responsibility of warfare, which is to preserve as much as to destroy.

Justin Wintle

**A**SK INDIA hands, old or new, which of the four great cities of the subcontinent they prefer, and the response will be mixed. Most will plump for the zingy, non-stop, rags-and-riches city of Bombay. Some will prefer the more traditional southern rhythms of Madras, others the intellectual and artistic predilections of Calcutta. Few are the Indopoles, though, who will show affection for the city that sits baking on the dusty north Indian plain, Delhi.

It is not only a disagreeable climate that breeds indifference to the Indian capital. Modern-day Delhi is not a city of much grace, subtlety or culture. The centre of one of the world's largest state administrations, this is a town of politicians, bureaucrats, of naked ambition, venality and grasping materialism.

Nor does the physical management of the city inspire great admiration. In its race to modernise, the Moslem buildings and monuments of Old Delhi have become neglected and decrepit. In New Delhi the architecture of the British Raj remains, but is increasingly overshadowed by the spread of concrete and high-rises. For most ordinary observers Delhi's abandonment of the past and its gaudy embrace of western modernity have made it just one more over-crowded third-world city.

William Dalrymple, though, is not an ordinary observer. It is measure of his enthusiasm for history that he is able to simply ignore much of the dross of present-day Delhi: concentrating on remnants of the past he manages to present in *City of Djinns* a sympathetic and intriguing portrait of this age-old city.

## Still alive in Old Delhi

With *In Xanadu*, the bestseller that he wrote in 1989 at the age of 22, Dalrymple took us from the Levant across central Asia to Beijing, an attractive blend of amusing traveller's anecdotes and scholarly historical observation. In

**CITY OF DJINNS: A YEAR IN DELHI**  
by William Dalrymple  
HarperCollins £16.99, 352 pages

limiting himself to describing a single city Dalrymple's second offering will not have the same wide public appeal as his first.

Yet in one sense *City of Djinns* is a travel book, too — the route is not geographical but, using the same blend of anecdote and erudition, takes us ever further back in time. Sub-titled "A Year in Delhi", the book describes the first 12 months that the newly-married Dalrymple spends in Delhi as a foreign correspondent. Far from focusing on Delhi daily life — much less Delhi political life — the book concentrates on Dalrymple's real interests — the Moslem world and the 900 year period in which India was ruled from Delhi by a succession of Moslem dynasties, each one more eccentric and picaresque than the last.

Pursuing his historical research across the city, particularly in the narrow alleys, mosques, abandoned ruins and tombs of Moslem Old Delhi, Dalrymple encounters a range

of characters who continue, despite modernising pressures, to give Delhi a special character. Pigeon fanciers, Sufi mystics, Moslem healers, musicians, calligraphers, philosophers and a guild of transvestites all provide Dalrymple with the entertaining insights into the lesser-known life of present-day Delhi.

Each encounter, though, provides the peg for the real meat of the book, an historical exploration of the city. Beginning with Mrs Puri, his Sikh landlady, and her arrival in Delhi on the great wave of Punjabi refugee immigration at Partition in 1947 — "it was as if Bloomsbury were made to absorb a deluge of mud-booted Yorkshire farmers" — he looks at the shocks that time and again have transformed the city. He has ample material to work with — over the centuries Delhi has been raised to the ground and born again at least eight times.

Dalrymple looks fondly at declining pre-1947 Moslem Delhi, "the grandest of grand old aristocratic dwellings", as it was before it became Punjabi dominated — "all show and vulgarity and conspicuous consumption." He shows us the broad ceremonial avenues and imposing buildings of Lutyens's 20th century New Delhi, at the same time "patronising and authoritarian" and "the finest cultural artifact created by the British Empire." His gaze at colonial India stretches back through the Victorian age

and Mutiny to the wild exploits of the first colonial adventurers and administrators in 16th century Delhi.

Dalrymple is fascinated by the pageant of imperial rule in the city, but he reserves his full enthusiasm not for British empire but for its much longer-lived and more colourful predecessor, Moslem empire. From the "Twilight" century of Muslim decline that preceded the Mutiny, backwards to the glory days of the Great Mogul emperor Shah Jahan, and still further to the first Moslem invasion of India in 1192, Dalrymple follows the fortunes of some of history's most colourful and unprincipled rulers.

There is nothing dry about this history. Besides describing the wealth, military skill and political cunning that kept these cruel autocrats in power, there are tales of imperial orgies, atrocious tortures, assassinations, love affairs, spies, palace coups, magic, court poetry, whirling dervishes, fratricides and patricides. Where else could you find a knowledgeable account of the nature and role of the eunuch in medieval Asia?

It is all fine, entertaining, well-written stuff, thoroughly researched but with none of the stern academic tone that so many historical profiles adopt. What sustains it, apart from his erudite knowledge of Moslem architecture, medicine, music, military principles, and arcane religious practices, is Dalrymple's sense of historical adventure. Just open your eyes, he says, if you know how to look, even the empty tombs and abandoned ruins of the past are alive.

Nicholas Woodworth

**BG**  
**AUTHORS**  
Does your book deserve to be published?  
If so, please write to:  
The Managing Director,  
The Book Guild Ltd.,  
Editorial Office (FT/1)  
Temple House,  
25 High Street,  
Lewes,  
East Sussex, BN7 2LU



ARTS

# Booker: where characters have survival in common

**W**E BRITS are proud of our Booker Prize. The Prix Goncourt is latterly being described as the French Booker. But lest we should become too self-congratulatory, too insular about it, this year's panel, led by Lord Gowrie, has ranged well beyond these shores in its choice of the six novels on the short list.

The power to award the prize to any writer in English belonging to a country in the Commonwealth or the Republic of Ireland has been taken very much to heart. Every book on the list has a resonance hundreds, if not thousands of

miles, from the sound of Bow Bells. One of them also has the distinction of being a first novel, Tibor Fischer's *Under the Frog* (Polygon). Fischer was born in Stockport in 1959 to Hungarian parents. It is the Hungarian expression "under a frog's arse down a coalmine" (meaning absolute hell) from which his black comedy gets its title. What is remarkable about it is not so much the heavy masculine humour - it reminded me somewhat of the Czech, Schweik - as the extraordinary authenticity with which it reconstructs the way of life of two randy members of a travelling basket-ball team in post-

war Hungary, their recipes for survival in the period leading up to the revolution of 1989.

Most of the leading characters in these novels are survivors of one kind or another. Roddy Doyle's *Paddy Clarke Ha Ha Ho* (Secker & Warburg) is about a boy of 10 in an imaginary suburb of Dublin where previous novels by this writer have been set. The time is 1988; the likeable lad survives the perils of reaching double figures at a time when his parents are splitting up. Doyle has a wonderful ear for child-speak. He has reached this point in the Booker stakes before but in the past has faded a couple

of furlongs from home. Maybe this time in a very funny book he does have the staying-power to reach the post ahead of the rest.

If so he will be hotly pursued by two contenders from Canada. Michael Ignatieff's *Scar Tissue* (Chatto) is the most questioning of these books as it takes us deep into that heart-rending condition, dementia. He shows us a philosopher son who has to observe his mother slipping further and further away into the land of non-sequitur and repetition. Ignatieff's book is a masterpiece of incomprehension. The people involved happen to be Canadian, but the situation and the sense of survival is universal.

Carol Shields is a novelist whose novels only began to appear in the UK three years ago. She was born and brought up in Chicago but has lived in Canada since 1957. Her novel *The Stone Diaries* (Fourth Estate) has, unlike the rest of the list, a strong domestic flavour, a Mrs Beeton quality as she recalls the life of her heroine born in 1903. She goes through the complete cycle of childhood, marriage, widowhood, remarriage, motherhood and old age. Even if it does not win the Prize this one should sell very well.

The Australian, David Malouf, is the big international name here.

His earlier book *The Great World* in 1991 took both the Commonwealth Writers' Prize and the Prix Femina Stranger. With *Remembering Babylon* (Chatto) his Booker chance starts rather like Golding's *Darkness Visible* with the emergence into respectable society, that of Queensland, of a barely human creature who 16 years earlier had been brought up by aborigines. His new life among the white Scottish immigrants and impact on them is described in fascinating detail.

Caryl Phillips's *Crossing the River* (Polygon and Penguin) returns to the theme of slavery which he has dealt with in earlier work. Here it

concerns the fate of two children. His insight into this condition - the subject of one of last year's winning novels - is equal to that of Toni Morrison.

Lord Gowrie said on *Kaleidoscope* that he wanted the reader of these six novels to feel "passion" coming through them, to "have an experience analogous to falling in love". Passion combines with narrative art in a most interesting, well-chosen list that steers well clear of the expected names: it is on October 26 when we shall know which of these writers has become £20,000 richer.

Anthony Curtis



Well-chosen young casts: Richard Croft and Manfred Hemm in Opéra de Lausanne's production of 'C'est un turtin' at Mézières

## Better music in the barn

Andrew Clark visits festivals in Montreux and Mézières

**M**ONTREUX and Mézières both play a part in late-summer cultural life in western Switzerland. Montreux's classical music festival may be the poor relation of the jazz festival, but it has been going for much longer. Mézières, a tidy farming village with an unheated wooden theatre, is where the Opéra de Lausanne decamps for the first production of each new season. By road, Montreux and Mézières are only half-an-hour from each other, but they are worlds apart in atmosphere and artistic values.

Montreux has just opened a flashy \$F 55m (£36m) lakeside concert hall, the 1800-seat Auditorium Stravinsky - designed and built by local companies, and named after the composer who completed *The Rite of Spring* at nearby Clarens. The purpose of the new hall is not just to upgrade the festival, but to attract more conference trade. Its tall glass facade blends well into the crowded shoreline of hotels and apartment-blocks. The interior, however, is a shambles. The front-of-house has been fitted out cheaply - neon lights, low concrete ceilings, ugly air ducts. Thanks to the reflecting glass of the foyer, you cannot enjoy the spectacular view of the lake after dark. There is no parking.

The cavernous octagonal auditorium - coated with the now obligatory bright wood, reflector panels and lighting gantries - shows how little has been learned from previous concert hall design. It is far too big and spread-out. The acous-

tic has a quirky resonance, magnifying the tiniest thread of sound, soaking up the loudest orchestral climaxes and turning everything else into an undifferentiated mush. Judging from the concert I attended - a Strasbourg Philharmonic Orchestra pot-pourri - the musicians simply could not hear each other. The snappy chords dotted throughout the Poulenc double piano concerto (Martha Argerich and Alexander Rabinovich) were never

Mézières, where interval catering is along the lines of a village fête. The 85-year old Théâtre du Jorat looks like a big barn. The benches may be hard, but the acoustic is natural and there is almost tangible contact with the stage. Because of the primitive technical facilities, producers are forced to simplify their ideas.

This year's opera was *Così fan tutte*, with another of the well-chosen young casts for which the Opéra de Lausanne

trouser-suited Dorabella next to Amanda Roocroft's pretty-doll Fiordiligi. Both came away with vocal honours, Miss Roocroft's luscious chest register underpinning a radiant "Pietà". Jeannette Fischer was the spunky Despina.

Helmut Polixa's staging, designed by Carlo Tommasi, made a virtue of the bare wooden walls of the stage, confining decor to a few stylised backdrops, a transparent red curtain and a hydraulic platform. The setting demanded, and received, the clearest animation of recitative, with taut human responses from the cast. The curtain opened on a balloons-and-beanbolls student party of the present day. Alfonso was a handsome post-graduate, Despina the college skivvy. Both knew a thing or two about life and love, unlike the four glib victims of the wager. Polixa played up the comedy and cynicism at every turn, with ne'er a hint of serious emotion. At the end of the evening, the boys retired to one side, the girls to the other, chastened but none-too-hurt by their lesson at the school for lovers.

Jesus Lopez-Cobos, conducting the Lausanne Chamber Orchestra, chose sensibla speeds, and phrased the recitatives flexibly. The *Orange sublime*, as the Théâtre du Jorat is known, had once again worked its charms, inspiring all who work there.

Renée Anuphan, director of the Opéra de Lausanne since 1984, has been appointed to succeed Hugues Gall as director of Geneva's Grand Théâtre in 1995.

*'Montreux has missed an opportunity, falling for the myth that a concert hall and conference centre are much the same thing'*

synchronised - through no fault of the conductor, Theodor Guschlbauer. Wherever I sat, the platform seemed remote.

A waste of money? Not when you consider how truly awful the old Maison des Congrès was. But Montreux has missed an opportunity, falling for the myth that a concert hall and conference centre are much the same thing. Multi-purpose halls mean multiple compromise, and compromise never did anything for art. Montreux is also discovering that a new hall does not necessarily transform the content of its festival. The programme continues to be a haphazard collection of touring orchestras, some of them second-rate.

It is a relief to move from the superficial glamour of one of Switzerland's principal resorts to the rustic informality of

has become known. At the heart of the production lay Gilles Cachemaille's Don Alfonso, his stage debut in the role. In common with his Goliard and Orpheus in previous seasons, he showed an uncanny gift for balancing musical and dramatic values, splitting out "in cor al femina" with a contempt that belied his vocal control. What an asset he is - always singing with punch, style and natural command, but never upstaging his partners.

Despite a fine rendering of the re-instated Act two aria, Richard Croft was a prosaic Ferrando. Manfred Hemm's Guglielmo was nowhere near as effective as his Papageno: the voice sounded poorly supported, the top under strain.

The girls were well-contrasted - Martine Mahé's pulsating,

## Stuff and nonsense

Malcolm Rutherford has an uncomfortable time at the theatre

**W**ATCHING a play which one dislikes intensely, while others around are manifestly enjoying it, leads to a sense of bemusement. This has happened twice in the last two days, so since no theatre critic can wish to deter people from going to the theatre, I shall stick mainly to description rather than comment.

The two plays are wildly different. One is *The Life of Stuff* by Simon Donald at the Donmar Warehouse. The other is *Morvin's Room* by Scott McPherson which has moved to the Comedy Theatre after a successful showing at the Hampstead.

*Stuff* takes its origins from the big bang theory of the universe. There was "loads and loads of stuff floating about," explains one of the characters towards the end. "I think it was hydrogen." Much of seems to have landed anarchically somewhere around Glasgow.

The play is clearly intended as a cry of pain and possibly protest, though of the four letter word kind that one had thought had gone out in the theatre after the deposition of Margaret Thatcher as prime minister. Here is a drugs culture dominated by a local mafia. Or at least I think there is nothing in *Stuff* is overt.

A relatively small crime - setting fire to a van in order to claim the insurance money - turns into a larger one when it emerges that there was a body inside. It looks like murder. Meanwhile all sorts of other criminal activities have been going on. Someone has had his toes chopped off they are presented as cocktail sausages and consumed with apparent satisfaction.

There is a persistent mimicking of an affluent society. One man spends his time trying to get into a dinner jacket, but has problems with the tie. No-



Carmel McSharry and Alison Steadman in 'Morvin's Room'

one else can fix it either, though someone observes that it is a mark of civilisation for a man to be allowed to touch another around the neck without intent to harm. The tie remains untied.

Offstage there is said to be a

Volvo with a sawn-off shotgun under the front seat, also a Mercedes. There is an endless supply of drugs and drink. Frank Sinatra is repeatedly on the record player, especially "The Wee Small Hours of Morning". The economic

framework is not explained; nor is the social background. Presumably deliberately, characterisation and motivation are obscure. At the end, the man assumed killed in the van comes back from the dead covered in blood and with his clothes still smoking with fire. Make of it what you will. There can be no objections to the acting nor to the set and occasionally galactic lighting designed respectively by Neil Warrington and Rick Fisher.

The piece is directed by Matthew Warburton, who is also responsible for the excellent *Much Ado About Nothing* still playing at the Queen's Theatre in Shaftesbury Avenue.

For the first 10 minutes or so, *Morvin's Room* looks like a pleasant surprise: a re-run of *Doctor in the House* transposed to Florida. There is a wonderfully bumbling doctor called Wally, played by Ian Gelder.

Yet the fun for fun's sake does not last. The play is an American soap written impeccably to formula. Laughs and sobs come in almost equal proportions. A woman is dying of cancer, having nursed her sick father for over 20 years. The estranged family gather round. There are two boys, one good, one bad, even a trip to Disneyland to bring the family together. Sentimentally reigns: patches of *Carousel* without the music.

The performance by Alison Steadman as the dying woman is immaculate and I much admired Carmel McSharry as her Aunt Ruth. Directed by David Petrarca, *Morvin's Room* is a model of its kind made more poignant by the knowledge that the author died of Aids last year.

If someone could combine the professionalism of *Room* with the occasional volcanic energy of *Stuff*, there might be a very good play.

## A noble bass

**N**ICOLAI Gligarov sang a Wigmore "Master Concert" on Thursday, thoroughly satisfying and therefore remarkable. Recitals by opera-stars tend to be dinky affairs. Sooner or later they get to the operatic arias their fans expect, which are almost always disappointing with mere piano accompaniment; for anything that comes before, they may lack experience or aptitude.

Most often with Italian voices, the first hour or so is filled up by 18th-century songs and perhaps a little Rossini. French artists try on some *comédies, Marseilles* or *Le Béru*, perhaps even *Hahn* or *Polanski*; Germans inherit the richest song-repertoire of all, and

are most rigorously drilled in it. Artists from musical fringe-countries have to live up to grander foreign challenges.

Without any hint of trimming his style Gligarov sang only recital-scale songs, all in Russian but for the dry Ibert "Don Quichotte" numbers. His bass is magnificently black, stylish too, and unlike most opera singers he knows how to shift gracefully into recital-mode. Though his short programme might (for all I know) have comprised all the song-repertoire at his disposal, he delivered all of it superbly.

In his opening Tchaikovsky group he was still warming up, but the whole-body reverberations of his voice made themselves powerfully felt even before he reached "Don Juan's Serenade". That drew as much upon his wry urbanity as on the depths of his bass, and his lbert songs exploited both on a perfectly judged scale. After the interval he explored four Dargomizsky character-studies - penetrating, ironical, brilliantly varied - with the utmost psychological finesse, and then explored Mussorgsky's *Songs and Dances of Death*.

Those had more sonorously tender, open, shuddery, lethal finality than in any live performance I can remember. By then Gligarov was calibrating his cavernous tone exactly to the scale of the hall, with profound effect. There were awed "bravos" - though his accompanist Pavlina Dokovska was merely alert and competent, not much more. With a partner who matched him in stern depth and weight, Gligarov would be mightily dismaying in this grim music.

David Murray

Sponsors: the Friends of the Wigmore Hall

## Jazz Blythe spirits

**T**HE FIERY saxophone partnership of US tenorist Chico Freeman and altoist Arthur Blythe has been at Ronnie Scott's all week. They have been joined by their regular rhythm section, the raffish Idris Mohammed on drums and Curtis Lundy on upright bass, plus the young British pianist Julian Joseph to make up a quintet.

Freeman and Blythe create an eccentric but compelling sound together. Where Freeman's tenor technique is impetuous but also sensitive, his stout partner ploughs a straighter furrow, making sense of the leader's flights of fancy.

Opening by throwing blue shapes at one another, Freeman moves quickly into sinewy abstraction in the upper register and blurring punctua-

tion in the bottom. Blythe, who has more firmly anchored ideas, drives out a gritty alto sound spiced with blue inflection. Joseph, an instinctive player presumably working with the minimum of rehearsal, provides a colourful backdrop for the reeds, his tidal, repeated motifs set off against sparkling runs. Mohammed is reliable as ever, the stripped down almost martial rhythm driving rock steady behind the ensemble.

The main attraction is Freeman, however, flamboyant and moorish in appearance with his black flowing shirt, earring and custom black horn. Worrying around the edges of a ballad with moist breathing or exploring every crevice of the instrument with gale force blowing, his technique is both difficult and convincing.

It is not a quintet for everyone's taste and the tense red mayhem which closed this first set did leave some bewildered faces in the club. But for fans of high voltage Freeman driven by the Blythe spirit, it is highly recommended.

Garry Booth

## Musical grants

Continued From Page 1

ductor would want to find his opening concert featuring the orchestra's funeral march?

Pity the poor Royal Philharmonic. Nobody even seems to discuss what would happen if

it wins the race. For many serious concert goers the Royal Philharmonic's annual programme sits on the shelf gathering dust and that, in essence, has been the orchestra's life story. Under Principal Conductors such as Walter Weller and André Previn, it marked time, filling its diary with revenue-earning business, recordings of

film soundtracks or pops concerts. Regrettably, this has obscured one important point: the orchestra has kept up a remarkably high standard of performance and has a rich blend of sound all its own. To come upon the Royal Philharmonic unexpectedly, on one of those evenings when it has been bired by an outside organisation such as the Bach Choir, is to be struck afresh by the quality of its playing. Since Vladimir Ashkenazy took over as Music Director, its programmes have become more dynamic, but probably too late. Orchestra standards may vary almost monthly, but a reputation takes years to change.

All three of these orchestras have put their bids forward, which suggests that they are resigned to nobody asking the obvious question. It is in the country's interest, at least that of the orchestras, for one or two of them to face extinction? It is instructive to look across the Channel. In 1967 France under Pompidou decided that Paris needed an international orchestra. In true

French style the government mobilised musicians, finance, conductors (including Karajan and Solti) on a grand scale. But the Orchestre de Paris has been a flop from the start.

Extraordinary, really, that a British Conservative Government should be heading down the same road. For years four more-or-less privatised orchestras have survived - some might say thrived - through cut-throat competition. Now there is to be less competition, less choice, fewer concerts. All the taxpayers' money is to go to the lucky two.

Of course there could still be a last minute reprieve. In the summer the Arts Council announced that it was axing the grants of half a dozen popular regional theatres, such as the Bristol Old Vic and the Theatre Royal, Plymouth. There was an outcry and this week the theatres were reprieved. The Council's music panel could over-ride Hoffmann's decision and the full Council could in its turn over-ride the music panel. Hoffmann could decide the case on the basis of the plans submit-

ted by the three orchestras and ignore the London Philharmonic's South Bank residency, or the recent travails of the Royal Philharmonic.

Or he could ignore his brief and decide that the South Bank needs its two orchestras, and suggest that they stay independent but work more closely together on programming, marketing, etc. Alternatively the whole issue could hang fire until the Council carries out its planned investigation, with the BBC, into the nation's regional orchestras, some of which, such as the Royal Liverpool Philharmonic, the Hallé and the Bournemouth Symphony, receive more subsidy than some of the London bands.

The depressing thought is that whatever happens to Hoffmann the variety and quality of the musical life of London will not improve. Audiences at the Festival Hall have declined by 20 per cent over the last two decades, to 61 per cent last season. A marginal change in the funding of the symphony orchestras will not in itself change that.

**ST. JOSEPH'S HOSPICE**  
MARE ST. LONDON SE14 6SA  
(Charity No. 231223)

"God's nobility" was how our founders described the dying poor of long ago. The poverty has declined but the sick and the suffering are with us always. So is your inspiring support in these anxious times. May God reward you for your vital gifts.

Sister Superior.

10% OFF R.R.P. ON UPRIGHTS  
25% OFF R.R.P. ON GRANDS  
GRAND WEINBACH SCHOLZE  
SUMMER SALE  
Qualifies uprights from £1360 + VAT  
at Markedown Ltd., London W1  
Bosendorfer Authenticity  
Piano Centre  
P.R. ASSISTANCE CALL  
071 486 3111 OR 071 935 2328  
FAX: 071 935 2265

**SALE No. 100**  
TUESDAY 12TH & WEDNESDAY 13TH OCTOBER 1993  
at Christie's Ryder Street Rooms, 5-15 Ryder Street,  
St. James's, London SW1 at 10am and 2pm  
Catalogue available, £5  
24-hour credit card catalogue order line 071-289 2820

- Ancient, Islamic and World coins including the unique Byzantine Imperial Marriage Gold Enclonion or double-sided modulation
- Good selection of Greek bronze, Bactrian and Sassanian
- The unique engraved Gold medal of Charles, Prince of Wales by Simon de Pise
- 18th Century Spanish Gold money chain weighing approximately 10 ounces

**SPINK**  
SPINK & SON LTD., 5, 6 & 7 KING STREET, ST JAMES'S, LONDON SW1 Y 6QS.  
TEL: 071-439 7888 FAX: 071-439 4853 TELEX: 946711

**ART GALLERY**  
SPINK, KING STREET, ST JAMES'S, SW1.  
22 September until 15 October.  
AUTUMN CATALOGUE OF ENGLISH WATERCOLOURS & DRAWINGS under  
£4,000. Mon-Fri 9-5.30, Sat 10-12.7.30.











Private View/Christian Tyler

# Fairytales that frightened Tinseltown

Armistead Maupin's novels about life in San Francisco were a huge success, but no US producer dared film them. He explains why

HERE WAS a young mother in the bookshop, pushing a babybuggy. "I've read all six of them," she said. "Twice." She wiped the baby's nose. "And I'm going to start them again."

She is one of the million readers of Armistead Maupin, the genial chronicler of bohemian San Francisco whose first volume, *Tales of the City*, will be serialised on British television from next week.

And here is the paradox: no American media mogul dared to make or even co-finance a TV adaptation of the stories, even though they were written in the mid-1970s for a family newspaper. What viewers will see, therefore, is a British production, with American actors, of Maupin's gentle perversion of the American Dream.

Why? Because, says the author, Hollywood is incapable of portraying sex or drugs or homosexuals except in the most lurid way. "The studios tried to cannibalise my exotic storylines but not remain faithful to the spirit of the books." One executive wanted the homosexual characters "reduced to campy walk-ons." Another suggested that the gay gynaeologist should be translated into a serial killer.

Hollywood, Maupin said, lives in fear of "narrow-minded fundamentalists who don't want to see homosexuals depicted as average human beings," yet his own postbag showed that the housewives of Iowa - or indeed suburban London - are a lot more sophisticated.

He is probably right. But as a spokesman for gay rights, he is being perhaps a little disingenuous. The culture of American television - unlike that of Britain - has always been primarily commercial. A sympathetic screen treatment of Maupin's fairytales, precisely because it is oh-so-innocent, easily invites the commercially damaging charge of condoning vice.

Maupin's message is "Be Yourself" and his methods are observation, wit and the sparsest, neatest prose. What Damon Runyon did for the



New York underworld he has done for the West Coast subculture.

You accuse Hollywood of distorting real life, I said, but the same could be said of *Tales of the City* - that it is a sterilised account.

"I don't think I have sanitised any aspect of gay life to the degree that it's unrecognisable," he replied. "I think the real threat of the book is that it's an affectionate look at all sorts of sexualities."

What about the bath houses, the sado-masochism, the gross promiscuity behind your cheerful picture?

"I have characters who go to the bath houses, yes, and I myself went to the bath

houses. I did not see them as a dark and frightening. It's very hard to say that today and have anyone understand it. But I saw them as places of great joy and camaraderie. I wasn't into any kind of heavy S and M scene. I was able to be matter of fact because I knew that a lot of very average and nice people went there. They were like men's clubs, with sex."

He agreed that *Tales of the City*, written before the Aids earthquake, might look quaint today. (Later books in the sequence confront the epidemic.) I asked: aren't you concerned that it is so out-of-date?

"No, I'm very happy that I recorded a moment in history

that was a very true and pure time, and I'm happy to go on record as saying that I did at that time and very grateful that I landed in San Francisco when I did. Because it turned my life around."

I said I was hoping to interview Maupin the writer, not just Maupin the homosexual. He said he was grateful. "I'm bored of discussing it as if I'm some sort of ape in a zoo. Sometimes I just want to say: 'Get over it. There are homosexuals in the world. It's not that sensational a subject after all, is it?'"

But it proved difficult to get over it. In a sense the subject made the writer; it is the

refrain that sustains his big theme, that *Being Different* is Normal. Even the midlife actress who is the heroine of his latest novel, *Maybe the Moon*, can be construed allegorically as a proxy victim of "homophobia."

Being homosexual was, Maupin said, "the luckiest thing that happened to me. It gave me material that had not been tapped and it forced me to re-examine the rules of my life. In doing so I liberated myself, not only sexually, but in terms of taking control of my own destiny."

The eldest of three children, he had been taught from the age of eight to aspire to his father's law practice in Raleigh, North Carolina. The family was descended from Huguenots, belonged to the white aristocracy and boasted a Confederate general among its forebears. His English grand-mother seems to have understood him: she told him the best figure he could cut in the world was as himself. He commemorates her tolerance in the character of Anna Madrigal, the landlady of Barbary Lane around whom his plot is spun.

Armistead Jones Maupin Jr. went to the naval officers' candidate school in Charleston, South Carolina, after leaving university. To fill in time, he worked for the local TV station, then managed by the arch-conservative Senator Jesse Helms. In Charleston, aged 26, he first went to bed with a man.

After a Mediterranean posting he volunteered for Vietnam. "In some twisted way I was trying to prove my manhood and the quickest way I could think of was to go to war."

Proving it to whom? "My father. His attitude was that the world thoughtfully provides a war for every generation, and Vietnam was my war." He was appointed naval liaison officer at an army base. "I didn't kill anyone. I wasn't in direct combat but there was fighting all around. It wasn't a gruelling, traumatic experi-

ence. It was mostly living in a small village and being the communications officer."

Did it make a man of you? The irony was only half intended.

He laughed. "No, I'm glad to say, it made a more interesting man of me. I enjoyed the experience of seeing that part of the world and other Americans not of my class. I was a good officer. I was decorated: the Navy Commendation Medal. Nothing heroic, just a pat on the back for a job well done."

Afterwards he returned to Vietnam as a volunteer to build houses for war veterans in the village of Cat Lai. Back in Charleston, Maupin felt stifled. He headed to San Francisco as a reporter for the Associated Press. He was, he said, "a lousy reporter. I was always tinkering with the facts in an effort to make the story better."

He lost the job, worked as a letter-writer for an Episcopal minister, sold silk in a shop on Union Street, and freelanced. Then he persuaded the *San Francisco Chronicle* to employ him to write fiction.

"I trimmed the fat off my prose very fast, and learned the techniques of suspense. I was forced to write 800 words a day; I told myself, it's going to

be on the bottom of someone's birdcage tomorrow so this doesn't have to be Balzac."

A life of gay abandon ended when Aids struck San Francisco. In any case, Maupin was settling down. "My grandmother said don't you dare get married until you are 50."

What age did you get married?

"Far too late. Forty."

That was nine years ago. The man he settled down with, Terry Anderson, was HIV-positive and last year suffered his first opportunistic infection, the sign of full-blown Aids.

I asked if life was bleak. "No. Even knowing that Terry has Aids we still agree that it's the happiest time of our lives because we're very much in love with each other, and we feel more that way every day."

He will die, I said. What will that do to you?

"It'll be hard. As much as I empathise and feel for his situation, I sometimes remind myself he'll have me but I won't always have him. Partly in anticipation of this impending personal calamity Maupin's next novel will be much more autobiographical."

I asked if his purpose was to "normalise" homosexuality.

"No, it's broader than that. My work is about finding the core of common humanity in all of us. And I love to push to the limits. I love to take the most extreme examples of humankind and show them to be every bit as real as the reader."

But is normalisation at the bottom of it?

"I suppose, yes. Call it 'humanisation'. I feel perfectly normal. It's all about self-realisation. It has to do with finding out exactly who you are and presenting that person to the world as honestly and joyfully as you can. And I think I am a marvellous example of how well that can pay off for you."

So the message is "Come out in Charleston", is it?

"Coming out in Charleston is the message. I didn't do it in Charleston. I had to move to San Francisco to do it."

"But you can't just stay in San Francisco. Terry and I have to walk down the street in every city in the world and then we have to be certain about who we are. No matter where you go, there's always going to be someone asking about your wife and kids, and you're going to have to decide whether or not to lie about yourself."

"I don't think this just applies to gay people. A lot of straight people make themselves miserable by keeping secrets that eventually poison them. Secrets invariably imply a kind of shame about oneself, and that shame can destroy you."

You really are only as sick as you are secret - and that applies to everyone."

## Major found alive in far East

SOMETHING IS wrong here. John Major is a weak leader who is incapable of offering the leadership that Britain so badly needs. I know this because I read the Tory tabloids, whose antipathy to the Prime Minister varies only in degree. But I have just spent six days following Major on a 17,500 mile trip to Japan, Malaysia and Monaco. I got back feeling like a piece of used Sellotape. Major looked like a man without a care in the world. What is wrong with him? Doesn't he know he is in the middle of a leadership crisis?

It was, admittedly, a successful trip. Major struck up a good relationship with Morihiro Hosokawa, the new Japanese Prime Minister, and tied up £1bn of business for British companies in Malaysia. And his prompt support of president Yeltsin during this week's dramatic events in Moscow showed him in a far more decisive light than poor dillydilly Bill Clinton, who was still "examining" the situation while Major was "acting".

But none of that really matters much, does it? Major's problem is that much of the tabloid press, the institution which did so much to help him win the 1992 election, has decided that he has to go. It is not clear why. He is a bit grey; someone has to carry the can for the recession; he is not Margaret Thatcher.

In itself, the media campaign is not enough to dislodge the prime minister. But it guarantees almost unlimited publicity to the right-wing backbenchers whose vitriol poured every day into journalists' notebooks.

During the first four days of Major's

overseas trip, the campaign was unrelenting. Comments made in London were relayed to his accompanying party of political journalists, who then demanded a response. Parts of the exchanges were seen by millions on Monday when most television news bulletins showed a clip of the Prime Minister's press conference in Tokyo.

The impression given is that the Prime Minister is being hounded by tabloid journalists. He is not. Access to him is too infrequent and too closely

about the "irrepressible" British press. Later, he appeared for a chat in the journalists' quarters in the back of the Ministerial plane. It was not, colleagues tell me, a patch on his courting of the press in the first year after he replaced Margaret Thatcher. Then, they sometimes had to ask him to leave so they could eat. But what of that? I would not spend much time with them either, if it was me they were writing off every day.

Nevertheless, a prime minister in this

Even if he seems grey in public, there is plenty of vigour in private, says Kevin Brown

controlled by aides for that. This is why Major is so closely questioned on the rare occasions when he does appear. But the conventions of parliamentary language have not entirely broken down. The questions may be awkward or embarrassing (sometimes to both parties), but they are always courteous. Even Gordon Craig, political editor of the rabidly anti-Major *Daily Mail*, has done nothing more than politely seek the prime minister's views.

Major does not seem to mind much. Some of his party were very angry about the way the leadership issue dominated media coverage of his trip. Gus O'Donnell, the Prime Minister's normally equable press secretary, went so far as to call John Sergeant, a BBC reporter, a "jerk" for raising it in Tokyo. Major kept his temper, and even made a few jokes to his Japanese hosts

position faces an interesting question which Major seems uncertain how to answer. Should he "bit out" at the rebels, or pretend they do not exist?

He moved into the attack early in his visit to Tokyo, when he warned the rebels publicly to stop the "stupid inter-necine squabbling". Privately, his strategy has been to belittle the rebels, casting doubt on their judgment. Perhaps because he was frustrated by his inability to get this message across through his officials, Major delivered it in person to a group of journalists at a barbecue in the British embassy garden in Tokyo.

His remarks were supposed to be off the record, but they were attributed to him by one newspaper, and hinted at by others - a breach of convention which would have been inconceivable if the prime minister were not perceived to be

in deep trouble.

Later it emerged that one of the journalists travelling with the prime minister is in possession of a tape recording of a private conversation in which Major refers to his critics as "barney." The recording was made accidentally, like the barbecue comments, it would probably have remained private but for the smell of blood in the air.

This bending of the rules is more serious for Major than it may seem. Unattributable conversations with journalists are one of the principal means by which ministers communicate their views. If the prime minister can no longer make his views plain without being identified as the source - though his critics often remain anonymous - he will have lost a powerful weapon.

No wonder that he is angry and frustrated. Even if he seems grey in public, there is plenty of vigour in his language in private. For example he said of one of his most volatile critics: "Every time I hear his name I hear the flapping of white coats."

If the tabloids are right, there ought to have been a palpable atmosphere of crisis surrounding the trip. There wasn't. Major knows he has to exert his authority, but he seems to think that all that is required is a bit of plain speaking and a more engaging style.

Who is to say he is wrong. The tabloids are not all powerful. Most of his critics are an unimpressive bunch. But the grey image will die hard. Touring a car plant in Malaysia, Major looked at green cars, red cars, white cars and blue cars. When it was time to pose for photographs, he sat in a grey one.

## One winner, lots of losers

NIGEL SHORT is trailing by a dismal 2-6 margin, and he has overlooked yet another win in his growing catalogue of missed opportunities. The British challenger's long-standing guru and chief coach has returned home to the US; yet this has been a good week for Short, the break-away Professional Chess Association and *The Times* world championship at London's Savoy Theatre.

The games have been full of interest, sacrifices and complex tactics, as both Gary Kasparov and Short pushed hard for victories with the favourable white pieces. Audience numbers have held up well.

Meanwhile at the rival Fide world championship in Amsterdam, where Anatoly Karpov leads Jan Timman 6½-4½, the players were so upset at the news that Oman has backed away from its commitment to provide a £800,000 prize fund for the second half of the match, that they agreed an 11-move draw.

The Oman bid always sounded odd. The official version was that it was sparked by satellite photographs which showed eighth century chess sets and boards, the earliest known, in the desert at the junction of two camel routes. Later Timman heard that, besides himself and Karpov, only the royal family would be allowed into the playing hall.

The match is due to transfer from the Netherlands next week, and the Fide president, Florencio Campomanes, is reported to be trying to patch up contingency plans for the series to switch to Hungary. Amsterdam city council have made a late donation of £25,000. The bitter is certainly bit. When the original Fide bidding favoured Manchester, Campomanes said that other UK offers were invalidated by lack of bank guarantees, and that Fide had found by experience that non-guaranteed bids were



Doing better: Nigel Short

unreliable. Kasparov later commented that *The Times*'s £1.7m prize fund would demonstrate which was the real world championship, so when Fide claimed a £1.8m purse it was a moment for Campo to savour. But the evaporation of promised Dutch and Omani money

is a huge embarrassment to Fide. And Fide's own finances often rely on a 25 per cent contribution from world championship prize funds.

The other talking-point at the Savoy was the abrupt departure of Short's guru Lubosh Kavalek, who was widely credited with toughening up Short into a resilient match player. Short's manager, Michael Stean, said that Kavalek had returned home for family reasons, but Kavalek himself indicated that he had been dismissed and said "I had intended to stay for the whole match. I think I prepared Nigel quite well."

Kasparov's has three experienced ex-Soviet GMs while Short's remaining team of analysts comprises the German No 1 Robert Huebner, Jon Speelman, the UK No 4 who is helping part time between television assignments, and Stean, whose active career stopped 10

years ago. There are no plans to add to the group, even though the match organisers were willing to consider flying in world no 3 Vishy Anand of India, a friend of Short's.

Some observers believe that Kavalek and Speelman wanted to start the match cautiously, to compensate for Short's lack of title experience; but others in the camp preferred the gambits and open play which have entertained fans but conceded points to Kasparov. There is also disappointment among the many young English GMs and IMs who are keen students of chess theory that Short did not enlist their help.

For these players, the ideas centre of the match is the grandmasters room at Simpsons-in-the-Strand, where Michael Adams, Tony Miles, Speelman and others hold court. On Thursday they predicted almost every move, and Adams found a subtle win which Short missed.

Leonard Barden  
Moves, Page XXIII

This year's release is probably our best ever. The nice thing is we've been able to say that nearly every year for 60 years.



### WINE MAKER'S NOTES

Exhibits natural apple, citrus fruit aromas and flavours of medium light intensity. Has a crisp, dry finish that's easily drinkable.

Appropriate with mild cheeses, lamb, poultry, pork or veal.

Acidity 0.66g/100ml. Residual sugar: Dry 10g/100ml. pH 3.35. Minimum 6 months in bottle before release.

THE WINES OF  
Ernest & Julio Gallo.

الذبح ١٣٥٤